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Institutional Dynamics in the Emergence of Hybrid Organisational Fields in the Global South

Multi-scalar perspective in the evolution of social enterprises in Kenya

Dissertation

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Stephen Omwenga Momanyi

aus Ngokoro - Kisii, Kenya

Erstgutachterin: Prof. Dr. Simone Strambach, FB Geographie, Philipps-Universität
Marburg

Zweitgutachterin: Dr. Britta Rennkamp, University of Cape Town (South Africa)

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All that I am, or hope to be, I owe to my Mum Joyce & late Dad Momanyi

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Abstract

Most countries in the Global South are characterised by persistent sustainable development challenges related to resource scarcity, persistent poverty and ever-increasing social inequality. Neither governments nor markets, in this region, have been able to create sufficient socio-economic opportunities for the rapidly growing populations. In response, alternative economic forms, such as hybrid organisations, aimed at addressing unmet socio-economic and ecological needs in an inclusive manner are gaining much attention. Until now, there are limited insights into the emergence of hybrid organisations in different forms in many territorial contexts. Especially, it is not entirely clear how institutional dynamics spatially shape the emergence and unfolding of hybrid organisations, particularly in different contexts of the Global South.

Drawing on conceptual and theoretical insights from social innovation, economic geography, and neo-institutional organisation theory, the dissertation investigates as a general research question the field configuring processes of hybrid organisations in the Global South using Kenya as a case study. In particular, the research aims:

- (1) To investigate the processes encouraging hybrid organisational field formation and collective agency,
- (2) To gain empirical insights into the strategies that hybrid organisations operating, within resource-constrained contexts of the Global South, use to address hybridity as well as place-based challenges and
- (3) To explore how hybrid organisations, contribute to developing capabilities of their beneficiaries.

To capture the institutional dynamics in the emergence of hybrid organisational fields, as envisioned by the general research question, the concept of institutional work was key (Lawrence & Suddaby, 2006; Lawrence *et al.*, 2011, p.52). Specifically, the concept is credited with considerable potential to explain institutional change through its focus on the connection between agency and institutions. In this study, the concept was used to explain institutional change processes and the role of the involved actors. Concurrently, the theoretical concepts of organisational capabilities and individual capabilities were

adopted to understand strategies for coping with hybridity tensions as well as the social impacts of hybrid organisations, as per the specific research questions.

The study explores the organisational field of impact sourcing service providers (ISSPs) in Kenya. ISSPs are hybrid organisations in the business process outsourcing (BPO) industry. Their social mission is to employ disadvantaged youth and develop their skills to enable them to enter the formal labour market.

An empirically grounded model explaining institution building and its drivers was developed. The model helps visualise the multi-scalar processes involved in the evolution of the hybrid organisational field in Kenya. Markedly, the model reconstructs the interaction between macro- and micro-level processes, institutional work and the resulting institutional change in a temporal-spatial setting. This was instrumental in revealing the dynamics, policies, and interventions of actors behind the pathway of institutional change that ISSPs took from pre- to semi-institutionalisation.

In addition, the study sheds light on an empirically developed typology of - *“standardised”* and *“individualised”*- skills development, showing how hybrid organisations strive to develop the capabilities of their beneficiaries as well as maintain financial sustainability. Simultaneously, it underscores the essential role of learning, resilience, and constant experimentation for hybrid organisations facing place-specific challenges associated with operating in resource- scarce contexts of the Global South. So far, the thesis makes an empirical and conceptual contribution to the neo-institutional organisation theory and hybrid organisational field specifically. It helps gain detailed insights into the micro-dynamics underlying institutional change in the early processes of institutionalisation of emerging hybrid organisational fields. Practically, the study underlines the basis for fostering such processes.

Zusammenfassung

Die meisten Länder des globalen Südens stehen vor der Herausforderung einer nachhaltigen Entwicklung, die mit Ressourcenknappheit, anhaltender Armut und zunehmender sozialer Ungleichheit verbunden ist. Weder die Regierungen noch die Märkte waren bisher in der Lage, ausreichende sozioökonomische Möglichkeiten für die schnell wachsende Bevölkerung in dieser Region zu schaffen. Als Reaktion darauf gewinnen alternative Wirtschaftsformen, wie z. B. hybride Organisationen, die darauf abzielen, unbefriedigte sozioökonomische und ökologische Bedürfnisse auf integrative Weise zu erfüllen, zunehmend an Aufmerksamkeit. Bislang gibt es nur wenige Belege für die Entstehung hybrider Organisationen in unterschiedlichen Formen und in vielen territorialen Kontexten. Insbesondere ist nicht ganz klar, wie institutionelle Dynamiken die Entstehung und Entfaltung hybrider Organisationen räumlich gestalten, vor allem in verschiedenen Kontexten im globalen Süden.

Auf der Grundlage konzeptioneller und theoretischer Erkenntnisse aus der sozialen Innovation, der Wirtschaftsgeographie und der neo-institutionellen Organisationstheorie untersucht die Dissertation als allgemeine Forschungsfrage die Feldkonfigurationsprozesse hybrider Organisationen im globalen Süden am Beispiel Kenias. Die Forschungsziele sind insbesondere:

- (1) Untersuchung der Prozesse, die die Bildung hybrider Organisationsfelder und kollektives Handeln fördern,
- (2) Empirische Erkenntnisse über die Strategien zu gewinnen, die hybride Organisationen, die in ressourcenbeschränkten Kontexten des globalen Südens tätig sind, anwenden, um Hybridität und ortsbezogene Herausforderungen zu bewältigen,
- (3) Es soll untersucht werden, wie hybride Organisationen zur Entwicklung der Fähigkeiten ihrer Nutznießer beitragen.

Um die institutionelle Dynamik bei der Entstehung hybrider Organisationsfelder zu erfassen, wie es die allgemeine Forschungsfrage vorsieht, war das Konzept der institutionellen Arbeit von zentraler Bedeutung (Lawrence & Suddaby, 2006; Lawrence *et*

al., 2011, S.52). Insbesondere wird dem Konzept ein erhebliches Potenzial zur Erklärung des institutionellen Wandels zugeschrieben, da es sich auf die Verbindung zwischen Handeln und Institutionen konzentriert. In der vorliegenden Untersuchung wurde das Konzept verwendet, um institutionelle Veränderungsprozesse und die Rolle der beteiligten Akteure zu erklären. Gleichzeitig wurden die theoretischen Konzepte der organisatorischen Fähigkeiten und der individuellen Fähigkeiten herangezogen, um die Strategien zur Bewältigung von Spannungen in der Hybridität sowie die sozialen Auswirkungen hybrider Organisationen entsprechend den spezifischen Forschungsfragen zu verstehen.

Die Studie untersucht das Organisationsfeld der Impact Sourcing Service Provider (ISSPs) in Kenia. ISSPs sind hybride Organisationen in der Business Process Outsourcing (BPO)-Branche. Ihr sozialer Auftrag besteht darin, benachteiligte Jugendliche zu beschäftigen und ihre Fähigkeiten zu entwickeln, um ihnen den Einstieg in den formellen Arbeitsmarkt zu ermöglichen.

Es wurde ein empirisch fundiertes Modell zur Erklärung des Aufbaus von Institutionen und ihrer Triebkräfte entwickelt. Das Modell hilft, die multiskalaren Prozesse zu visualisieren, die an der Entwicklung des hybriden Organisationsfeldes in Kenia beteiligt sind. Insbesondere rekonstruiert das Modell die Interaktion zwischen Prozessen auf Makro- und Mikroebene, institutioneller Arbeit und dem daraus resultierenden institutionellen Wandel in einem zeitlich-räumlichen Rahmen. Dies trug dazu bei, die Dynamik, die Politik und die Interventionen der Akteure aufzuzeigen, die hinter dem institutionellen Wandel stehen, den die ISSPs von der Prä-Institutionalisierung bis zur Semi-Institutionalisierung genommen haben.

Darüber hinaus wirft die Studie ein Licht auf eine empirisch entwickelte Typologie der *"standardisierten"* und *"individualisierten"* Kompetenzentwicklung und zeigt, wie hybride Organisationen versuchen, die Fähigkeiten ihrer Nutznießer zu entwickeln und gleichzeitig die finanzielle Nachhaltigkeit zu erhalten. Gleichzeitig unterstreicht sie die wesentliche Rolle des Lernens, der Widerstandsfähigkeit und des ständigen Experimentierens für hybride Organisationen, die sich den ortsspezifischen Herausforderungen stellen müssen, die mit der Tätigkeit in ressourcenarmen Kontexten des globalen Südens verbunden sind. Bislang leistet die Arbeit einen empirischen und konzeptionellen Beitrag zur

neoinstitutionellen Organisationstheorie und speziell zum Feld der hybriden Organisationen. Sie hilft dabei, detaillierte Einblicke in die Mikroodynamik zu gewinnen, die dem institutionellen Wandel in den frühen Prozessen der Institutionalisierung entstehender hybrider Organisationsfelder zugrunde liegt. In der Praxis unterstreicht die Studie die Grundlagen für die Förderung solcher Prozesse.

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List of Abbreviations and Acronyms

| | |
|-----------|--|
| BPO | Business Process Outsourcing |
| BSR | Business for Social Responsibility |
| CBOs | Community Based Organisations |
| CR | Corporate Responsibility |
| CSR | Corporate Social Responsibility |
| EEG | Evolutionary Economic Geography |
| GISC | Global Impact Sourcing Coalition |
| GSC | Global Supply Chains |
| GVC | Global Value Chain |
| IAOP | International Association of Outsourcing Professionals |
| ICT | Information and Communication Technologies |
| ICT4D | Information and Communication Technologies for Development |
| ILO | International Labour Organisation |
| ISO 26000 | International Standard for Social Responsibility |
| IS | Information Systems |
| ISSP | Impact Sourcing Service Provider |
| KII | Knowledge Intensive Intermediaries |
| NGOs | Non-Governmental Organisations |

| | |
|-------|---|
| OWS | Outsourcing World Summit |
| UNDP | United Nations Development Programme |
| PRIDE | Poverty Reduction through Information and Digital Employment |
| RF | The Rockefeller Foundation |
| SDGs | Sustainable Development Goals |
| WISE | Work Integration Social Enterprise |

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I Introduction

1 Introduction

The 21st century faces a large number of grand societal challenges such as environmental degradation, poverty, illiteracy, inequality, climate change and related disasters, to name a few, which are summarised in the sustainable development goals (SDGs) and require urgent attention. Foundations, nongovernmental organisations and associations have appeared to take a leading role in addressing one or more of these challenges (Spieth *et al.*, 2018). Meanwhile, private companies are under increasing consumer pressure to provide services and products that not only have a functional benefit, but also make a socio-ecological contribution to society at the same time (*Ibid.*).

In recent decades, a diverse range of hybrid organisations, often termed as social enterprise or social business, have also dedicated themselves to solving societal challenges. They seem to combine a social mission with a commercial enterprise (Battilana & Dorado, 2010; Smith *et al.*, 2013; Battilana & Lee, 2014; Spieth *et al.*, 2018). Hybrid organisations are defined as “*market-based businesses that explicitly focus on social goals, rather than the maximisation of economic gains*” (Spieth *et al.*, 2018, p. 3). These organisations integrate differing institutional logics — the economic logic and the social logic — to meet a social need in addition to generating business results. Besides creating value for the firms, these organisations also seek to create value for society and individuals (*Ibid.*). Notably, hybrid organisations identify unmet social needs and develop new business models to address them.

Scholars underline that hybrid organisations employ a wide variety of strategies for addressing societal and ecological challenges (Smith *et al.*, 2013). Empirical studies on hybrid organisations have increasingly focused on social enterprises, such as work integration social enterprises (WISEs), sustainable food producers, and microfinance organisations that integrate both aspects of social mission and business goals at their core (Jay, 2013; Pache & Santos, 2013; Battilana & Lee, 2014). Hybrid organisations reconfigure business methods to recoup their financial investment, allowing them to become self-sustainable in meeting social goals (Yunus *et al.*, 2010). Moreover, these organisations are

characterised by the integration of divergent identities, norms, values and goals at their core (Smith *et al.*, 2013; Battilana & Lee, 2014).

Organisational scholars underscore that the combination of multiple organisational forms plays a crucial role in fostering not only institutional changes but also organisational innovation (Haveman & Rao, 1997; 2006; Tracey *et al.*, 2011; Padgett & Powell, 2012). Taking advantage of the mutual reinforcement and synergies between commercial and social goals, hybrid organisations are credited with potential for creativity and thus considered a broader societal force for change and social innovation. By combining numerous institutional logics, organisational forms, and identities, hybrid organisations differ from their existing socio-institutional environment as well as from socially legitimate templates for organising (Battilana & Lee, 2014). Consequently, they face unique organising challenges and have to seek legitimacy for their new organisational forms. In addition, organisational studies provided substantial insights into the tensions and conflicts confronting hybrid organisations as a result of integrating divergent institutional logics (Smith *et al.*, 2013; Battilana & Lee, 2014; Doherty *et al.*, 2014).

Unlike traditional non-profit and for-profit organisations, hybrid organisations face institutional plurality as they are exposed to contradictory institutional logics (Mair *et al.*, 2015; Spieth *et al.*, 2018). These organisations must contend with the ambiguity that comes from pursuing divergent values and objectives, as well as competing stakeholder and shareholder demands. Concurrently, they have to grapple with competition for scarce resources, such as time and managerial attention, among the various objectives associated with each logic. In such a scenario, given the conflicting means and ends associated with each institutional logic, tensions are most likely to appear and may even lead to mission drift, understood as focusing on only one of the logics (Pache & Santos, 2010; Ebrahim *et al.*, 2014).

Simultaneously, it is incredibly challenging for these organisations to scale up as they need to find partners who share the same values as theirs (Sabatier *et al.*, 2017). This makes it difficult for hybrid organisations to survive and achieve their dual goals. As well, it remains a pertinent issue, as studies indicate that the innovativeness of hybrid organisations also creates distinctive challenges for their sustainability (Battilana & Lee, 2014). In recent

times, scholarly interest in the management of hybridity-related challenges within hybrid organisations has grown exponentially (Battilana & Dorado, 2010; Smith *et al.*, 2013; Pache & Santos, 2013; Battilana *et al.*, 2015; Smith & Besharov, 2019). To what extent diverse place-specific institutional conditions hinder or support the creation of hybrid organisations is underlined as a field of further research (Battilana & Lee 2014; Doherty *et al.*, 2014). An understanding of such conditions is key to the sustainability of hybrid organisations. Empirical studies point out that organisations are products of a prevailing social context (Battilana & Lee, 2014). The emergence and spatial unfolding of hybrid organisations is inextricably linked to institutional changes and prevailing socio-institutional environment, as regulations vary in their receptivity to hybrid organisations and social needs are highly context-dependent and specific.

Economic geography scholars point in the direction that place-based institutional environments evolve in a path-dependent manner (Strambach, 2017, p. 506; Strambach & Pflitsch, 2020). At the same time, studies show that institutional dynamics and processes at multiple scales play a crucial role in shaping regional pathways and social innovations (Binz, *et al.*, 2020; Hansen & Coenen, 2015; Loorbach *et al.*, 2017; Strambach & Pflitsch, 2020). Consequently, hybrid organisations emerge in different forms in many territorial contexts. However, there are limited insights into the spatial shaping of their emergence and unfolding, particularly in different contexts of the Global South.

1.1 Research Questions and Objectives

This dissertation intends to contribute to filling the above-mentioned research gap by focusing on impact sourcing service providers (ISSPs), an emerging field of hybrid organisations in the business process outsourcing (BPO) industry. In particular it seeks to answer the following general (1) and specific research questions (2,3 and 4):

- 1) How has the organisational field of impact sourcing service providers in Kenya emerged and unfolded in the global business process outsourcing industry?
- 2) How can ISSPs embedded in global value chains contribute to social innovation in their local environment?
- 3) How do hybrid organisations build organisational capabilities to remain financially sustainable in the tension between social and economic value creation?
- 4) How do hybrid organisations as alternative economic forms contribute to developing beneficiaries' capabilities through their social mission? (Table 1).

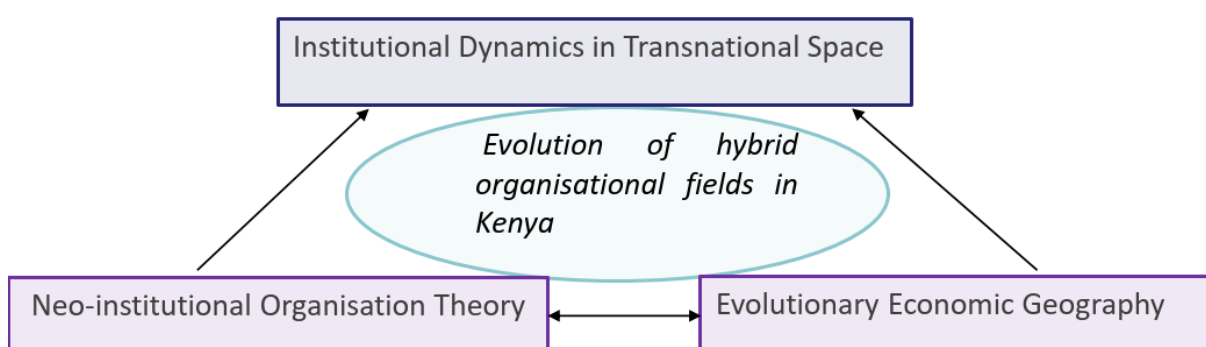
Focused on fostering social well-being through employment and skills development, ISSPs have a social mission to combat unemployment crisis among disadvantaged young people. Primarily, they operate in the Global South in countries such as Kenya, Laos, India and Cambodia that are characterised by high inequalities and unemployment rates (World Bank, 2017; Kannothea, 2018; ILO, 2020; Daily Nation, 2020). ISSPs seek to break the poverty cycle among disadvantaged young people through employment and training opportunities in information and communications technology (ICT) sector. In this regard, the goal is to help the beneficiaries develop careers in the formal labour market.

The objective of the dissertation is two—fold: conceptually, it aims to contribute to a deeper understanding of the complex institutional dynamics involved in the emergence and formation of hybrid organisational fields in the Global South, using the Kenyan case study. Additionally, it interweaves the conceptual approaches of organisational and individual capabilities to explore how their complementarity can contribute to insights

about the intricacies of social and financial sustainability of hybrid organisations in resource-poor contexts.

Empirically, it investigates the field configuring processes of impact sourcing service providers in Kenya from an evolutionary and institutional perspective. Furthermore, ISSPs and their beneficiaries are explored in-depth to understand how such hybrid organisations seek to develop beneficiary capacities and maintain financial sustainability (Table 1).

The dissertation combines insights from evolutionary economic geography with approaches from neo-institutional organisation theory such as organisational field, organisational capability, institutional logics and institutional work. This is aimed at illuminating the processes of maintaining, transforming and creating institutions by individual and collective actors on different institutional levels in their interconnectedness (Lawrence, *et al.*, 2011; Lawrence & Suddaby, 2013). In addition, insights from evolutionary economic geography help reconstruct the evolutionary temporal-spatial pathway of the hybrid organisational field of ISSPs in Kenya (Hansen & Coenen, 2015; Loorbach *et al.*, 2017, Strambach & Pflitsch, 2020) (Figure 1), as intended by the general research question. Also, as per the specific research questions (Table 1), it makes a contribution to the empirical research on hybrid organisations in the ICT4D field, which deal with capacity building of marginalised people to enable them to work in the formal labour market.



Source: Own figure

Figure 1. The Dissertation's Conceptual Framework

1.2 Structure of the Dissertation

In chapter two, an overview of the theoretical and conceptual insights, into institutional change processes, social impacts and strategies for managing hybridity-related tensions is provided. Specifically, the chapter underlines insights from neo-institutional organisation and evolutionary economic geography theories. Neo-institutional organisation theory has proved useful in examining gradual institutional change processes and the underlying agency.

In this dissertation, much attention is given to the concepts of institutional logics, institutional work, and organisational fields. Further, concepts related to organisational capabilities and individual capabilities are considered. Altogether, these concepts are crucial in shedding light on institutional dynamics and institutional change in the emergence of hybrid organisations. Equally, they play an essential role in illuminating the social impacts as well as the strategies for managing tensions among hybrid organisations — as is the goal of the general and corresponding specific research questions (Table 1). Moreover, the chapter spotlights on the conceptual framework of ICT4D and the hybrid organisations that operate within it by leveraging advances in ICT to address sustainable development challenges related to unemployment and inequality among disadvantaged individuals.

At the same time, the chapter offers a snap-shot into the evolutionary economic geography concepts of path dependency and path plasticity. These concepts make it possible to investigate the processes of institutional change from a space dimension. Specifically, they serve as important conceptual frameworks linking institutional environments with institutional dynamics within the micro and macro-level relations. The methodology and research design adopted in the current study is highlighted in chapter three. Besides, the collection and analysis of the data as well as the reliability and validity of the empirical results is offered. This is followed in chapter four by the justification for selecting the case study of Kenyan ISSPs to investigate hybrid organisations in the Global South.

The empirical findings on the general research question that focus on processes encouraging hybrid organisational field formation and collective agency in Kenya, are described in chapter five. Expressly, the chapter illuminates findings on the institutional dynamics underlining the evolution of the organisational field of ISSPs in the Kenyan context. As well, the chapter elaborates on the empirical findings related to the first specific question (Table 1), highlighting the embeddedness of hybrid organisations in GVCs and their potential to foster social innovation in their institutional environments. The results provide empirical evidence of hybrid organisations responding to identified local needs with alternative business models to create social value.

Thereafter, findings connected to the second specific question, on organisational capabilities, are presented in chapter six. Addedly, the chapter provides empirical insights into the contribution of hybrid organisations to developing the capabilities of their beneficiaries (specific question 2b) (Table 1).

Then, chapter seven sheds light on the study's overall conclusions, limitations, and generalisability of the empirical findings. The dissertation concludes by discussing policy and practitioner implications as well as avenues for further research. In particular, the study recommends that policy actors build up a favourable environment with the necessary context-specific interventions that support hybrid organisations.

Table 1. Overview of the Research Questions

| | |
|----------------------------------|---|
| General research question | How has the organisational field of Impact Sourcing Service Providers (ISSPs) emerged and unfolded in the Kenyan Business Process Outsourcing (BPO) industry? |
| Specific question 1 | <i>How can ISSPs embedded in global value chains (GVCs) contribute to social innovation in their local environment?</i> |
| <i>Theoretical lens</i> | Neo-institutional organisation theory (institutional work, institutional logics & organisational field) (Lawrence & Suddaby, 2006; Lawrence et al., 2011; Thornton & Ocasio, 1999; Scott, 1994, p. 207-208; Fligstein, 2001, p.108). Evolutionary economic geography (path dependency & path plasticity) (Boschma & Frenken, 2006; Hansen & Coenen, 2015; Loorbach et al., 2017, Strambach, 2008; Strambach & Halkier, 2013; Strambach & Klement, 2013; Strambach & Pflitsch, 2020). |
| Specific question 2a | <i>How do hybrid organisations build organisational capabilities to remain financially sustainable in the tension between social and economic value creation?</i> |
| <i>Theoretical lens</i> | Dynamic organisational capabilities (Teece et al., 1997; Eisenhardt & Martin, 2000; Zollo & Winter, 2002) |
| Specific question 2b | <i>How do hybrid organisations as alternative economic forms contribute to developing beneficiaries' capabilities through their social mission?</i> |
| <i>Theoretical lens</i> | Sen's individual capability approach (Sen, 1999; 2004; Stewart & Deneulin, 2002; Robeyns, 2005) |

Source: Own illustration based on literature

II Theory

2 Theoretical Framework

The chapter endeavours to illuminate the general and specific research questions of the study in the context of existing theoretical approaches:

- 1) How has the organisational field of impact sourcing service providers in Kenya emerged and unfolded in the global business process outsourcing industry?
- 2) How can ISSPs embedded in global value chains contribute to social innovation in their local environment?
- 3) How do hybrid organisations build organisational capabilities to remain financially sustainable in the tension between social and economic value creation?
- 4) How do hybrid organisations as alternative economic forms contribute to developing beneficiaries' capabilities through their social mission? (Table 1).

In line with this, for the general research question, it is argued that a conceptual approach that takes into account a procedural perspective in the emergence and unfolding of organisational fields in spatio—temporal contexts can contribute to deeper insights. This is specifically the case in relation to the multiplicity of field configuration processes and related institutional dynamics. Adopting an interdisciplinary approach, the dissertation investigates the emergence and unfolding of the hybrid organisational field from an institutional and evolutionary perspective.

Decidedly, the study combines complementary insights from evolutionary economic geography, which elucidates the spatial configuration of processes of institutional change with insights from neo-institutional organisation theory, explaining the interplay of institutions, actors and gradual forms of institutional change. As a result, it offers a deeper understanding of the complex institutional dynamics in the evolution and formation of the field of hybrid organisations located in the Global South, with a specific case study from Kenya. Neo-institutional organisation theory, which focuses on agency and gradual institutional change processes, has played a crucial role in stimulating research in a variety of disciplines. The theory has provided substantial insights into the relationship between organisations and institutions (Greenwood *et al.*, 2014). Of particular relevance to the

current study is historical institutionalism and neo-institutional organisation theory, where the concept of an — *institution* — is key. Institutions are conceptualised as “*enduring elements in social life that have a profound effect on the thoughts, feelings and behaviour of individual and collective actors*” (Lawrence & Suddady, 2006, p. 216). Notably, they are considered as being at the heart of all institutional approaches to organisation studies (*Ibid.*). Historical institutionalism points in the direction that “*institutions emerge from and are sustained by features of the broader political and social context*” in a given country (Thelen, 1999, p. 384).

From earlier on, neo-institutional organisation scholars have paid increasing attention to the processes of institutional change as well as to the role of agency in these processes (DiMaggio, 1988). This has been enhanced by more recent insights from historical institutionalism with its long-term perspective on the evolution of institutions (Thelen, 2002). Given the dynamic nature of institutional structures, neo-institutional organisation theory emphasises the more gradual forms of change. In addition, recent insights from historical institutionalism underline less abrupt forms of institutional change that over time can contribute to fundamental change (Mahoney & Thelen, 2010). As far as hybrid organisations are concerned, scholars underline that “*national contexts exhibit varying social entrepreneuring configurations owing to different histories of culture, governance mechanisms and political-economic structures*” (Bignotti & Myres, 2022, p. 326).

2.1 Institutional Dynamics – Different concepts of the Neo-Institutional Organisation Theory

2.1.1 Organisational Field

The field perspective that explains the behaviour of the study objects in relation to their location in socially or geographically defined space (Scott, 2014), is a key approach in neo-institutional organisation theory. Specifically, the approach provides substantial insights into the meaning and relational systems of a set of collective and individual actors that

comprise a social arena by directly and indirectly aligning their actions towards one another (Scott, 1994; Fligstein, 2001). In the literature, the organisational field is defined as '*a community of organisations that partakes of a common meaning system and whose participants interact more frequently and fatefully with one another than with actors outside the field*' (Scott, 1995, p. 56). The focus is on a collection of interdependent and distinct organisations operating within a shared meaning system (Scott, 2014).

Research on the organisational field perspective has provided substantial insights into the processes that direct organisational field members' behaviour in an unconscious manner (Wooten & Hoffman, 2017). In particular, it points out the crucial role played by institutions. Essentially, institutions are taken as regulative, normative and cultural-cognitive structures that offer collective meaning and stability to social behaviour (Scott, 1994). Thus, they act as social facts that organisational field members consider when deciding appropriate action (Wooten & Hoffman, 2017).

The institutionalisation of social facts serves field members with action templates which foster unified responses to uncertainty. Hence, isomorphism taken as the commonality of function and form, appears among organisational field members (DiMaggio & Powell, 1983; Wooten & Hoffman, 2017). Notwithstanding, the boundaries of organisational fields are not determined geographically. *Au contraire*, they are socially, politically and cultural established (Scott, 1994; Strambach & Halkier, 2013). All the three key parts are situated in socially and geographically constructed spaces, as emphasised by economic geography scholars (Strambach & Halkier, 2013).

From an organisational field perspective, the actions of an organisation are structured by the network of relationships within which it is embedded (Wooten & Hoffman, 2008). The focus is on unravelling the processes of decision-making among distinct organisations that, while pursuing different goals, see it advantageous and necessary to interact with each other to accomplish a specified assignment (*Ibid.*). Consequently, the organisational field is taken as a medium to grasp rationalisation's effect on organisations (Wooten & Hoffman, 2017). For the organisation's legitimacy and survival, the incorporation of elements from their institutional environment including practices, procedures and structures is essential (*Ibid.*).

Legitimacy is understood as “*a generalised perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed systems of norms, values, beliefs and definitions*” (Suchman, 1995, p. 574). Therefore, it is inherently linked to the survival of an organisation as underlined by neo-institutional organisation theory scholars (DiMaggio & Powell, 1983; Wooten & Hoffman, 2017). By incorporating common institutional elements to appear legitimate, members of organisational fields become homogenous in output, culture and structure (Wooten & Hoffman, 2017). This remains a pertinent issue as empirical studies pointed in the direction that the quest for collective rationality led to homogeneity within field-level populations (Edelman, 1992; Meindl *et al.*, 1994; Lindenberg, 1998).

Scholars underline that an organisational field encompasses actors that impose mimetic, normative or coercive influence on the organisation (Wooten & Hoffman, 2008). Thus, essential issue connected with isomorphism within organisational fields has been a dominant perspective for a long time (DiMaggio & Powell, 1983). Isomorphism emphasises that rational actors operating in organisational fields progressively seek to structure their organisations as similarly as possible while attempting to change them (DiMaggio & Powell, 1983, p. 147). Contrastingly, there has been a limited focus on the emergence and evolution of new organisational fields. As a result, little is known about the prior institutionalisation processes and their spatial shaping. Specifically, insights into the processes underlining evolution and later legitimisation of innovative framings of problems and new meanings are limited (Suchman, 1995; Deephouse & Suchman, 2008). How the field of hybrid organisations emerges and unfolds in the Global South, is mainly understudied.

The organisational field approach is credited with providing a crucial link between micro—level of organisations and individuals and the wider macro—level structures of transnational, societal and sectoral spheres (Scott, 2014). This level of analysis plays a vital function in the understanding of organisations and institutional processes (*Ibid.*). Much weight is given to the analysis of the manner in which hybrid organisations influence their context and are influenced by the same context concurrently (Scott, 1994). In order to capture the complex institutional dynamics in the emergence and formation of the organisational field of hybrid organisations, it is necessary to consider both the temporal

dimension and the spatial dimension of the field configuration. Adopting, an organisational field's perspective, this study investigates the emergence and unfolding of ISSPs in Kenya, which are embedded in the global BPO industry.

2.1.2 Institutional Logics

As well, approaches from neo-institutional organisation theory have provided substantial insights into the cognitive and cultural processes that guide the behaviour of members of organisational fields (Friedland & Alford, 1991; Gawer & Philipps, 2013; Scott, 2014; Wooten & Hoffman, 2017). The so-called institutional logics, that constitute symbolic constructions and material practices, have proven useful in not only offering organisations with schemas to guide their behaviour but also, in serving as organising templates, hence credited with considerable rationalising power (Gawer & Philipps; Scott, 2014).

Existing at the societal level, institutional logics are understood as *“socially constructed, historical patterns of cultural symbols and material practices, including assumptions, values, and beliefs, by which individuals and organisations provide meaning to their daily activity, organise time and space, and reproduce their lives and experiences”* (Thornton, et al., 2012, p. 2). They are key to many institutional phenomena (Gawer & Phillips, 2013). Clearly, institutional logics provide rules of action that help actors deal with cognitive constraints and ambiguity by not only pointing out specific problems and issues, but also determining which of the problems and issues are salient and in need of management attention, and formulating possible solutions (Thornton, 2002).

In an organisational field, institutional logics guide members by defining the goals to be achieved and the means to achieve them (Friedland, 2002; Thornton, 2002). At present, the focus of research on institutional logics is on the evolution and change of institutional logics and their impact on organisational fields and their members (Gawer & Phillips, 2013). Addedly, studies are paying increasing attention to understanding how institutional logics are drawn upon and extended at the level of organisational fields (*Ibid.*). Contextually, in the organisational field of hybrid organisations, with explicit emphasis on social goals

instead of just maximising economic-gains, the combination of multiple institutional logics is key.

Hybrid organisations integrate, at their core, numerous institutional logics — the economic logic and the social logic (Battilana & Lee, 2014). In essence, the economic logic is linked to for-profit companies and pursues economic purposes and market-oriented methods (Spieth, *et al.*, 2018). Furthermore, the logic has shareholder satisfaction and financial returns as its primary goal (*Ibid.*). Contrastingly, the social logic is traditionally related to non-profit organisations, driven by a social objective, and views addressing a social challenge as its main goal (Kannothra, *et al.*, 2018; Spieth, *et al.*, 2018).

In recent times, scholarly work on understanding how competing institutional logics can provide a catalyst for institutional change is gaining stature in neo-institutional organisation theory (Gawer & Phillips, 2013). As much as institutional logics serve to rationalise organisational behaviour (*Ibid.*), they can be a mechanism to throw light on institutional change and social innovation. This seems to result from the organisational actors' exposure to heterogenous and incompatible logics. Social innovation is understood as a process that involves actors purposefully and intentionally attempting to change established practices to not only contribute to perceived social needs but also address social problems (Howaldt & Schwarz, 2010; Franz, *et al.*, 2012).

The tensions inherent in contradictory logics can be harnessed by actors to catalyse institutional change. Therefore, institutional logics can play a crucial role in fostering micro-dynamics that induce institutional change. Of relevance to the current study is the exploration of the link between institutional logics and social innovation. Principally, the study seeks to gain in-depth insights into how hybrid organisations, combining dual institutional logics, contribute to social innovation and the development of the capabilities of their beneficiaries in resource-constrained contexts of the Global South, with Kenya as an example.

2.1.3 Institutional Work

To capture institutional change in organisational fields, scholars have focused on the interconnectedness of organisational field and agency by examining actors' efforts to maintain, disrupt, and create institutions (Lawrence *et al.*, 2011). The goal is to understand the connection between institutions and the actors who populate them (*Ibid*). Defined as “*the purposive action of individuals and organisations aimed at creating, maintaining or disrupting institutions*” (Lawrence & Suddaby, 2006, p. 215), institutional work provides considerable insights into the role of actors in institutional change. The approach originates from the belief that institutions are products of human action (Jepperson, 1991). Much attention is given to understanding how human action produces institutions (Hwang & Colyvas, 2011).

Underlying institutional work is the assumption that institutional change is the outcome of the work of many actors who generally do not mutually coordinate each other (Lawrence & Suddaby, 2006; Lawrence *et al.*, 2011). Scholars of neo-institutional organisation theory have explored in depth the work involved in creating institutions (Lawrence and Suddaby, 2006, p. 215–254). They identify nine types of institutional work including constructing networks, changing norms, constructing identities, educating, mimicry, theorising, advocacy, defining and vesting (*Ibid.*). Changing norms, constructing networks and identities, are considered as actions in which the belief systems of actors are reshaped (Lawrence & Suddaby, 2006). Besides, educating, imitating, and theorising are actions aimed at changing the abstract categorisations on which systems of meaning depend (*Ibid.*). Advocacy, defining and vesting involve institutional work in the political arena in which actors redefine boundaries, property rights, and rules for access to material resources (Lawrence & Suddaby, 2006). The typology of institutional work has provided substantial insights into the link between institutions and human agency. Insofar, scholars have emphasised the essential role of agency in institutional work (Gawer & Phillips, 2013).

In the context of the current dissertation, it is argued that new organisational fields such as hybrid organisations that are aimed at addressing sustainability challenges demand institutionalisation. This is especially important for them to attain legitimacy and higher

levels of structuration as underlined by scholars in neo-institutional organisation theory (Giddens, 1984). Institutionalisation is understood as the actions through which social structures generate and reproduce constraints and obligations (Tolbert & Zucker, 1996, p. 185). Yet, the processes of institutionalisation that hybrid organisations in resource-poor contexts of the Global South undergo as they emerge, unfold, and gain legitimacy have received little scholarly attention.

Essential issues connected with everyday work carried out by actors is the focus of the institutional work perspective (Lawrence *et al.*, 2011). This theoretical lens emphasises both intangible and tangible resources that actors require to execute institutional work as exemplified in narratives, political and financial resources (Lawrence & Suddaby, 2006; Lawrence *et al.*, 2011). Scholarly evidence points in the direction that over a period of time, institutional work can lead to the emergence of new institutions (Thornton & Ocasio, 2008). For understanding the processes underlying institutional change in new organisational fields, such as the emergence of hybrid organisations in the Global South, the link between institutional work and institutional logics is key. Notably, institutional logics and institutional work are interdependent. In this regard, changes in institutional logics are reliant on institutional work performed by culturally-competent actors in the organisational field, as underscored by neo-institutional organisation scholars (Gawer & Phillips, 2013).

By employing the institutional work approach, the dissertation explores as a general research question the processes that foster collective agency and the formation of new organisational fields. In this case, the study attempts to grasp processes of institutional change involved in the evolution of the hybrid organisational field of impact sourcing service providers in Kenya. In this context, institutional work is instrumental in understanding the role that actors play in the institutional change processes that underlie the emergence of the hybrid organisational fields. Also, since the evolution of the hybrid organisational fields is an international phenomenon requiring changes at different societal systems, dispersed types of institutional work are generally anticipated to be salient in these processes. Even though, the institutional work approach is able to explain the interplay of institutions and actors in the emergence and unfolding of hybrid organisations, it gives minimal focus the temporal—spatial trajectory of the evolutionary process of field

configurations. This necessitates the need to incorporate insights from evolutionary economic geography to fill the gap.

2.1.4 Organisational Capability

In this section, the study's general research question— *how has the organisational field of Impact Sourcing Service Providers emerged and unfolded in the Kenyan Business Process Outsourcing industry?* — is explored in greater depth by examining one of its specific questions in the context of extant theoretical approaches:

- *How do hybrid organisations build organisational capabilities to remain financially sustainable in the tension between social and economic value creation?*

The study argues that alternative economic forms such as hybrid organisations face high levels and persistent place-based and sustainable development challenges when they are embedded in resource-poor contexts. Especially, these geographical spaces are characterised by high levels of poverty and social inequality, underdeveloped domestic markets, unstable institutional environments, and institutional voids (Bramann, 2017; Hansen *et al.*, 2018). Addedly, hybridity-related tensions that undermine the work of hybrid organisations are well documented in various scholarly outputs (Billis, 2010; Haigh and Hoffman, 2012; Pache and Santos, 2013; Smith *et al.*, 2013; Battilana and Lee, 2014; Doherty *et al.*, 2014; Kannothra *et al.*, 2018).

From the foregoing, it is argued that hybrid organisations embedded in resource-poor contexts need specific dynamic organisational capabilities not only to adapt and survive in such settings, but also to achieve their social and financial goals. Precisely, organisational capabilities appear to play a substantial role in contexts characterised by high competitiveness and uncertainty. They are understood as the systematic generation and modification of the operational routines in pursuit of improved effectiveness (Zollo & Winter, 2002, p.340). In particular, organisational capabilities involve the development, combination, and coordination of individual-level competencies within and outside the

organisation, as underlined by scholars in neo-institutional organisation theory (Nooteboom, 2010, pp. 31-32).

So far, scholarly work links an organisation's capabilities to the use of context-specific competencies and the selection of appropriate courses of action. Key to their understanding is the cognition that capabilities develop path-dependently as a result of cumulative and incremental learning experiences within an organisation (Teece *et al.*, 1997; Winter, 2003; Nooteboom, 2010). Against this backdrop, much weight is given to the importance of institutional contexts, within which an organisation is embedded, in shaping an organisation's capabilities. Especially, this is the case as contexts and their related institutional frameworks are seen to either foster or hinder organisational learning (Eisenhardt & Martin, 2000; Zollo & Winter, 2002, Strambach & Halkier, 2013).

To date, however, there is limited conceptual and empirical evidence on the application of organisational capabilities to hybrid organisations and, in particular, those operating in resource-poor contexts (Smith *et al.*, 2013; Littlewood *et al.*, 2020; Bignotti & Myres, 2022). Based on this background, using the case study of the hybrid organisational field of ISSPs operating in resource-poor contexts, the study adopts the organisational capabilities approach to capture the dynamics of hybrid organisations in their efforts to increase effectiveness, reconfigure operational routines and address context-specific challenges. The goal is to gain deep insights into how hybrid organisations in such contexts develop competencies to contribute to sustainable development and financial sustainability.

2.1.5 Hybrid Organisations Operating within the ICT4D Paradigm

Research interest in how advances in information and communication technologies (ICTs) can foster development, through the ICT4D paradigm, in developing countries is gaining stature (Robey, *et al.*, 1990; Heeks, 2006; Walsham, 2017; Chipidza & Leidner, 2019). Precisely, ICT4D projects appear to have considerable potential to support the achievement of sustainable development goals in resource scarce contexts (Chipidza & Leidner, 2019).

The hybrid organisational field of impact sourcing service providers, the case study of this dissertation, is leveraging on the opportunities offered by ICT to address sustainable

development challenges related to disadvantage, inequality and unemployment among marginalised people. Notably, ISSPs employ and develop the skills of disadvantaged people with limited employment opportunities to empower them to provide services in the BPO industry (The Monitor Group & The Rockefeller Foundation, 2011; Everest & The Rockefeller Foundation, 2014; Carmel, *et al.*, 2016; Kannothra, 2018).

Their beneficiaries include young people who are unable to pay for higher education, without formal work experience and hail from resource-poor contexts including informal settlements (Carmel, *et al.*, 2016). Yet, there is limited empirical evidence on the social impacts of hybrid organisations in such contexts (*Ibid.*). In this sense, the section seeks to explore one of the study's specific research questions:

- *How do hybrid organisations, as alternative economic forms, contribute to developing beneficiaries' capabilities through their social mission?* (Table 1).

Theorised within the research stream on information systems, the ICT4D approach, which aims to use ICT to enable people to lead a better quality of life, has evolved into a multidisciplinary scholarly field (Qureshi, 2015; Chipidza & Leidner, 2019). The focus is on investigating how ICT projects address sustainable development challenges in resource-poor contexts of the Global South (Chipidza & Leidner, 2019). Nonetheless, until now, neither a shared definition nor a methodology to determine ICT4D impacts is existing (*Ibid.*, p. 3). In this respect, the meaning and measurement of development within the ICT4D approach is far from being unified. Recently, attention has shifted to the ICT4D value chain, an essential framework in connecting inputs, activities and processes to the outputs (Heeks & Molla, 2009; Chipidza & Leidner, 2019). Similar approaches have been advanced by social impact measurement scholars in the context of neo-institutional organisation theory research with elaborate connections to inputs, activities, outputs, outcomes, and impacts (see Section 6.3.1) (Clark *et al.*, 2004; Repp, 2013; Ebrahim & Rangan, 2014).

At present, insights into how ICT interventions can contribute to individuals' freedoms, are gaining increased currency within the ICT4D discourse (Zheng, 2009; Smith, *et al.*, 2011). Initiated by Amartya Sen (Sen, 1999; 2000), the capability approach serves to represent and measure individual and societal welfare. From the approach's perspective, the well-being of a human being is defined by what he/she is or does. Based on this background, Sen

stresses the essential role played by capabilities in achieving the wellbeing of an individual (Sen, 2004). In his own words, individual capability is therefore, “... *the freedom to achieve various lifestyles*” (Sen, 1999, p. 75). The focus is on the individuals’ available opportunities and freedom to make choices they value to achieve well-being (Robertson & Egdell, 2018). Consequently, the approach has emerged as an essential analytical framework stimulating scholarly debate about the measurement of individual welfare (Sen, 1999; 2000; 2004; Stewart and Deneulin, 2002; Robeyns, 2005).

Even though, ICT is not singled out by the capability approach, arising number of scholars have acknowledged its usefulness in theorising ICT’s development impact (Zheng, 2009; Smith, *et al.*, 2011). Taking the lens of development as increased freedom, as advanced by the capability approach (Sen, 1999; 2000), the dissertation using empirical data on Kenyan ISSPs, contributes conceptually and empirically to a more nuanced understanding of how hybrid organisations contribute to the well-being of their beneficiaries (see Chapter 6). By giving a comprehensive analysis to human well-being as well as gender equality, the capability approach is better positioned to address issues related to theorisation, as raised by previous critiques.

2.2 Institutional Dynamics — Concepts from the Evolutionary Economic Geography

2.2.1 Path Dependency

Insights from economic geography, according to which structural changes take a long time to develop, are pertinent to the dissertation's general research question:

- *How has the organisational field of Impact Sourcing Service Providers (ISSPs) in Kenya emerged and unfolded in the global Business Process Outsourcing (BPO) industry?*

Precisely, the scholarly work done within the literature strand of evolutionary economic geography (EEG), with its focus on change, provides a comprehensive understanding of the way geography configures evolutionary and institutional change processes (Boschma & Frenken, 2006; Boschma & Martin, 2010). This is especially salient in the context of this research as the study integrates insights from EEG into organisational fields to grasp the time-space dimensions of institutional dynamics involved in the evolution of ISSPs, an example of hybrid organisations in the Kenyan setting.

Underpinned by the theory of dependency and plasticity of development paths, EEG serves as a conceptual framework to connect the micro-level institutional change dynamics to the macro-level institutional environments. As such, path dependency plays a crucial role in illuminating change and stability processes at the system level. The approach attempts to explain a present state of affairs from its history, taking into account that the current state emerged from and was influenced by previous states (Boschma & Frenken, 2006).

The opportunities and choices of the present are conditioned and constrained by the choices of the past (Scott, 2014). Hence, path dependent processes are central within evolutionary economic geography. Characterised by "*such features as emergence, convergence, divergence, and other patterns and trajectories that are rooted in real historical time*" (Boschma & Martin, 2010, p. 5), the dynamic nature of institutions plays a

vital role in the explanation of economic development, as underlined by evolutionary economic geography scholars (*Ibid.*).

From the duality of agency and structure perspective, institutions whether formal such as laws or informal as evidenced in cultural values and norms, appear to be of a relative duration (Gertler, 2010). They seem to influence the manner in which organisations organise their activities (Boschma & Frenken, 2010). Also, they allow organisational fields to persist through their fostering and restraining effects on behaviour. In addition, institutions are seen to evolve in a path-dependent manner (Strambach & Pflitsch, 2020). Scholars underline that once institutions are created, they have a never-ending impact on the institution-development phases as well as on the succeeding decision-making processes (Scott, 2014).

Furthermore, scholarly debates emphasise that a place and its history are not only inherently linked, but also relevant for explaining institutional dynamics (Strambach & Pflitsch, 2020). Clearly, a place produces a particular history, and simultaneously a history contributes to the evolution of a particular spatial structure over a period of time (*Ibid.*). Therefore, the specificity of a particular place is the result of an irreversible, contingent, and evolutionary processes that reconfigure the further development phases of the whole process (Martin & Sunley, 2006). Empirical studies have shown that stabilising forces can prompt the lock-in of unsustainable consumption and production patterns (Geels, 2010). Ongoing research on EEG points in the direction that path dependent processes are mainly reliant on place, consequently locally contingent (Strambach, 2017). Thereby, organisational fields are embedded in spatially bound institutional environments as well as develop over a period of time. In this case, complex learning processes play a crucial role in the entire evolutionary process.

Despite being exposed to dynamic change as a result of cognitive and social learning processes, organisational fields are embedded in co-evolutionary institutional pathways. Accordingly, an institutional and evolutionary perspective concerned with path dependency serves as a mechanism to investigate organisational and institutional structures of paths that organisational fields and their members are embedded in.

Recently, more attention has shifted to exploring the forms of incremental change processes that underpin broader transformation over a period of time.

Also, EEG research provided substantial insights into proximities, in inter-organisational networks, and their role in the emergence of new institutions (Boschma, 2005; Gertler, 2010). The proximity perspective, far from being a unified paradigm, identifies five forms of proximity: cognitive, social, geographical, organisational and institutional, that may expedite interactive learning (Boschma, 2005; Boschma & Frenken, 2010, p. 120). As such, proximity is inherently connected with the evolutionary paradigm (Boschma, 2005). Precisely, to effectively collaborate and exchange knowledge, organisations tend to be complementary in a cognitive manner (Boschma & Frenken, 2010). This appears to foster the absorptive capacity of the organisations to sense, interpret and leverage new knowledge (Cohen & Levinthal, 1990; Nooteboom, 1999; 2000).

At the same time, co-presence and face-to-face interaction play a crucial role in trust building and knowledge sharing, leading to learning processes in the emergence of new organisational fields. Of most importance to the current study, insights from EEG, especially proximity contributes to a deeper understanding of the link between knowledge dynamics and collective agency and the evolution of new hybrid organisational fields. In line with its research focus on the emergence and unfolding of hybrid organisations in Kenya, this study expects new organisational fields to emerge as a result of close proximity between actors from different institutional logics.

2.2.2 Path Plasticity

Simultaneously, the dissertation used the concept of path plasticity to examine the micro-level institutional dynamics involved in the emergence of the hybrid organisational field. The goal is to gain detailed insights into the processes of organisational field configuration involved in the unfolding and formation of hybrid organisational fields in the spaces of the Global South. In recent decades, there is an increased attention to path dependency as a

dynamic process that arises from the concurrent interaction of exogenous forces and endogenous factors (Strambach & Pflitsch, 2020).

The focus is on the plasticity of well-established institutional environments and on the institutional dynamics found within the development paths (Strambach, 2010). As well, the path plasticity approach is credited with considerable potential to investigate the duality of institutional stability and change within paths; especially in terms of temporal and spatial dimensions (Butzin & Rehfeld, 2013; Strambach & Klement, 2013). Studies on path plasticity have analysed the micro- and macro-level processes that facilitate gradual, cumulative institutional change (Strambach & Klement, 2013). This is especially the case in the present study's general research question, which examines the relationships between micro- and macro-level processes underlying the emergence of hybrid organisational fields in the Global South, with insights from Kenya.

Even though institutional mechanisms constrain choices in spatially bound and established institutional contexts, there is inevitably some degree of plasticity within development paths. This is especially the case given that paths are inherently disjointed due to the ambiguity of institutions and the resulting interpretative flexibility (Strambach, 2017). Accordingly, this is relevant in the context of the present research question, as institutional change within established organisational fields is key to fostering the legitimacy of emerging fields as they unfold. Simultaneously, institutional coherence and complementarity are central within the path plasticity approach. These concepts play a vital role by providing stability of place-specific development paths. Scholars underline the crucial link between complementarity and institutional change dynamics (Strambach & Pflitsch, 2020).

The essential role of collective agency in institutional work and institutional entrepreneurship in fostering path plasticity has gained attention in recent decades. Institutional entrepreneurs appear to play an important role in identifying the plasticity of established institutional contexts (*Ibid.*). Nevertheless, the actions of institutional entrepreneurs alone are not enough to reconfigure emerging organisational fields. To adjust existing established social arrangements that govern institutionalised patterns of

behavior, it is necessary to create a shared understanding of the values and appropriateness of new social practices (Strambach & Pflitsch, 2020).

As well, it is necessary to convince other actors and take advantage of knowledge networks so as to mobilise collective resources. In terms of institutional dynamics, there is so far limited knowledge about the early processes of institutionalisation and their spatial shaping. Hence, little is known about how innovative framings and new meanings emerge, gain legitimacy and get reinforced and stabilised (Suchman 1995, Deephouse & Suchman, 2008). Especially related to the manner in which the micro-processes bring about incremental changes in meso- and macro-structures at later stages (Strambach & Pflitsch, 2020).

In recent times, economic geography scholars have drawn upon insights from neo-institutional organisation theory to highlight that institutional change can be triggered by the dynamics between different institutional arrangements and endogenously by micro-level actors (Strambach & Klement, 2013). Studies point out that the multi-scalar nature, place-specific context and relationships among actors are crucial in shaping institutional dynamics (Strambach & Pflitsch, 2020).

Integrating insights from EEG with those from neo-institutional organisation theory provides a profound understanding of the spatial configuration of the institutional change processes. Also, it makes it possible to gain detailed insights into the micro-dynamics associated with the emergence and unfolding of the hybrid organisational field in Kenya. Distinctly, EEG, specifically the path-plasticity approach (Strambach, 2010; Strambach & Halkier, 2013) can help explain multi-scalarity, place-specificity and actor relations influencing the institutional dynamics in the evolution of ISSPs in Kenya. As ISSPs are an international phenomenon, the study anticipates that the change in institutional processes linked to their evolution and emergence to be characterised by multi-scalar dynamics, guided by institutional structures that are scattered across diverse spatial scales. This indicates that these processes are embedded in institutional environments at diverse spatial levels with distinctive features.

III Methodology

3 Methodology

This section discusses the study's research design by beginning with the rationale for choosing the case study approach. Subsequently, a case of the hybrid organisational field of impact sourcing service providers is presented. Next, an overview of background information on Kenya, the geographical space in which the organisational field was embedded, is provided. Thereafter, information on data collection and analysis follows. An explanation, of the study's reliability and validity as well as an outlook on the ensuing chapters, marks the conclusion of the section.

3.1 Case Study Research Design

For an in-depth analysis, the study adopted a qualitative case study focusing on impact sourcing service providers (ISSPs) in Kenya. A case study is defined as *"an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between the phenomenon and its context are not clearly evident"* (Yin, 2009, p. 18). This research design is credited with great potential for analysing complex social phenomena that require a comprehensive description of the study subject (*ibid.*). In addition, it is inherently connected with the exploration of cases to stimulate new ideas, especially in scenarios where existing knowledge is limited (Siggelkow, 2007). This was particularly important in this study since the case, of the hybrid organisational field of ISSPs, is emerging and little-known.

Underlying the assumptions of the case study is the premise that an in-depth inquiry of one case is sufficient for inductive theory building (Yin, 2003; Siggelkow, 2007; Eisenhardt & Graebner, 2007; Baxter, 2010). In the literature, it is underscored that a comprehensively-studied case can contribute to a deeper understanding of a contemporary issue and its potential solutions (Eisenhardt & Graebner, 2007; Baxter, 2010). Scholarly work points in the direction that a case study is especially useful when a large number of potentially

influencing variables need to be considered (Yin, 2009). Concomitantly, the design seems to play a crucial role in studies where the boundaries between a phenomenon and its context are difficult to explain (*Ibid.*). This was specifically relevant in this dissertation, as the research question aimed to capture the complex micro-level institutional dynamics and interactions in the evolution of the hybrid organisational field of ISSPs in Kenya. Notably, the qualitative approach played a key role in capturing the gradual evolutionary processes of institutional change at multiple levels of analysis. As such, the approach proved beneficial in identifying the characteristics of institutional change and its causes.

Nevertheless, the case study as a research design has been criticised for its lack of generalisability as well as its units of inquiry, that are considered statistically inadequate (Yin, 2003). Qualitative research scholars prefer transferability to generalisability to denote the extent to which the findings of one case are applicable to other cases of the phenomenon under study (Baxter, 2010). By employing a well-grounded case selection strategy, this design allows for the investigation of unique features that would have gone undetected in other cases (Siggelkow, 2007).

From a quantitative perspective, some scholars tend to argue that the study of a single unit, as exemplified in case studies, is not sufficient to contribute to knowledge. Transferring quantitative terminology to the qualitative approach seems inappropriate as the focus of the two appears to be divergent. While quantitative is comprehensive and broad, qualitative is intensive and in-depth-oriented. Moreover, unlike the quantitative approach, the case study design aims to examine the case's spatial and social context (Baxter, 2010). Therefore, the use of a quantitative expression in the context of a case study seems misleading. Instead, the focus should be on the most suitable case selection strategy.

In line with other scholars (Strambach & Surmeier, 2018; Strambach & Pflitsch, 2020), this study used the case study to gain not only explanations for the manifestations of the phenomenon of hybrid organisational field, but also generalisable theoretical propositions. A case study provides the researcher with the opportunity to examine a phenomenon in its socio-cultural and spatial context, resulting in a detailed and rich picture, as the study demonstrates.

3.1.1 Empirical Case Study

As already pointed out, the dissertation used the case study of the hybrid organisational field of impact sourcing service providers to capture the micro-level institutional dynamics associated with the emergence of the hybrid fields in the Global South. Decidedly, the aim was to answer the research question: *how has the hybrid organisational field of impact sourcing service providers emerged and unfolded in the global business process outsourcing industry?*

ISSPs appear to be playing a substantial role in addressing unemployment among disadvantaged youth in countries such as Kenya, Cambodia, India, the Philippines, and South Africa (The Monitor Group & The Rockefeller Foundation, 2011). The organisations operate in resource-poor regions characterised by high unemployment levels including rural and informal settlements (*Ibid.*). The beneficiaries of such organisations include young people living below the poverty line. Also, they are unable to finance higher education as well as lack formal work experience (Everest & The Rockefeller Foundation, 2014; Carmel, *et al.*, 2016; The Monitor Group & The Rockefeller Foundation, 2011). As hybrid organisations, ISSPs provide employment and training opportunities to their beneficiaries to enable them advance career-wise. As such, they act as a bridge linking disadvantaged individuals to the formal labour market. The objective is to empower them so that they can break the poverty cycle. At the same time, the organisations strive to achieve financial sustainability in order to fulfil the social mission.

3.2 Data Collection and Analysis

In the study, data triangulation through document analysis, participant observation, and semi-structured expert interviews, was used. The focus was on exploring multiple perspectives, situating the practices in the broader socio-institutional context, and establishing causal relationships among them (Appendix 1). Incredibly, data triangulation played an essential role in developing a nuanced understanding of the hybrid organisational field, uncovering its causalities, and understanding its many facets, as previous studies have shown (Baxter & Jack, 2008). Notably, triangulation proved beneficial in cross-checking various empirical findings to paint a comprehensive picture of the complex institutional dynamics underlying the emergence and unfolding of the hybrid organisational field in Kenya.

Data collection took place in 2019 and 2021. As part of secondary data collection, a systematic document analysis was conducted to identify institutional changes, over a period of time, that characterised the evolution of the organisational field of ISSPs. Examined documents included reports, newspaper articles, newsletters, press releases, case studies, and policy and advisory documents. Specifically, the analysis was key to reconstructing the sequence of events¹ in the evolutionary processes. Concurrently, the analysis provided essential insights into the context of the research phenomenon, thus helping in the design of the interview guide and in the actual conduct of the interviews.

To complement the findings of the document analysis, semi-structured expert interviews were conducted with various actor groups, including managers and beneficiaries of the ISSPs, financial intermediaries, and university professors, to gain a deeper understanding of the institutional dynamics. Especially those involved in the evolution of the organisational field of ISSPs. Using an interview guide, the study was able to gather in-depth information on the social mission, practices, outcomes, and business models of impact sourcing, as well as on the role of government and other actors in the evolutionary

¹ A sequence of events refers to a temporal “*ordered list of elements*” that are either related or not (Abbott, 1995, p. 94).

processes. In the course of the interviews, information-rich informants² were selected to provide in-depth insights. The interviews were particularly instrumental in helping uncover the relationships between actors and micro-level interactions in the evolution of the organisational field.

Furthermore, through the use of document analysis and interviews, it was possible to characterise and compare different time periods of the field evolution process so as to show gradual institutional changes. Addedly, structured participant observations were conducted to complement the findings obtained from the interviews and document analysis. This was instrumental in not only examining the phenomenon of the hybrid organisational field directly and largely without bias, but also in gathering contextual knowledge of its institutional environment. Interview data were recorded, stored in auditory form, and then transcribed to ensure transparency of the results. Also, it was intended to prevent the loss of relevant information.

Analysis of data followed the methodological approach of content analysis advanced by Mayring (2014). Notes resulting from documents and observations, as well as interview transcripts were analysed through deductive theory-driven coding supplemented by inductive coding to develop categories. Using MAXQDA software, the results were coded and categorised to identify dimensions of institutional work, institutional dynamics and change processes. Specifically, a sequence of steps was followed to iteratively develop the coding framework with corresponding categories (Table 2). During coding, much weight was given to the aspects of the transcripts that related directly to the research question (Appendix 2). Communicative validation was then conducted to obtain feedback from interview participants to validate the results (Flick, 2007).

² Information-rich informants were understood as interview participants who were involved in the evolutionary process of the organisational field of ISSPs for a long time, had paid a significant amount of attention to the process, and therefore had a comprehensive understanding of the entire process.

Table 2. The Study's Data Analysis Phases

| Phase | Illustration |
|-----------------|--|
| Familiarisation | Notes from the analysis of documents and observations, as well as interview transcripts, were read repeatedly to become familiar with the empirical data. |
| Categorisation | Salient passages in the transcripts were highlighted to allow for the detection and coding of emerging themes. |
| Association | A comparison of themes between interview participants was then conducted. In addition, patterns for the development of superordinate categories were searched in the transcripts. |
| Interpretation | A summary of the interpretations was then prepared. This was then shared with the interview participants to get their feedback. |
| Explanation | An abstraction process characterised by the comparison of the empirical results with theoretical concepts then ensued. The process involved an iterative movement between empirical data and theoretical concepts to achieve a high conceptualisation level. |

Source: Adopted from Pret & Carter, 2017, p. 649

3.3 Reliability and Validity

In order to safeguard the quality of the empirical results, rigorous procedures were carried out in regards to reliability and validity. In terms of reliability, considerable attention was paid to documenting the entire research process in the form of interview protocols and databases. This was to ensure that the procedures of the study, particularly with respect to data collection and analysis, could be repeated and the same results obtained.

In addition, much emphasis was placed on increasing the robustness of the results by using multiple sources of evidence, ranging from document analysis to interviews and observations. As for the validity of the results in a qualitative research design such as in this dissertation, the empirical findings are directly generalisable to theory (analytical generalisation). In the context of the study, the results can be generalised to the hybrid organisational field, evolutionary economic geography and neo-institutional organisation theory, especially on the multi-scalarity of the field configuring processes.

As well, validity was given much weight during the data collection process by asking interviewees probing questions giving them an opportunity to clarify their answers and correct any discrepancies in understanding (Sandberg, 2000; Pret & Carter, 2017). This was augmented by the inclusion of open-ended questions in the interviews to allow participants to provide detailed responses as well as feedback on the researcher's interpretation of interviewees' answers, thus achieving communicative validity.

3.4 Overview of the Empirical Results

In this section, a summary of the results of the empirical data will be highlighted. A detailed presentation of the results is then provided in chapters four, five and six. Specifically, the study sought to answer:

- 1) How has the hybrid organisational field of Impact Sourcing Service Providers (ISSPs) in Kenya emerged and unfolded in the global Business Process Outsourcing (BPO) industry?
- 2) How can ISSPs embedded in global value chains (GVCs) contribute to social innovation in their local environment?
- 3) How do hybrid organisations as alternative economic forms contribute to developing individual capabilities of the beneficiaries through their social mission?
- 4) How do hybrid organisations build organisational capabilities to remain financially sustainable in the tension between social and economic value creation?

Chapter 4, *“Socio-economic development structures, processes and challenges in Kenya”*, outlines the institutional settings within which the hybrid organisational field of impact sourcing service providers was embedded. Notably, the chapter argues that context and historical structures need to be taken into account, when examining the evolution of alternative economic forms, as they either constrain or foster the development trajectory that a region takes. Specifically, the challenges related to high inequality and unemployment levels are highlighted. As a pointer to the essential role that knowledge networks and collective resources play in fostering path plasticity, the centrality of collaborative working between the Kenyan government and intermediaries in promoting institutional dynamics and change is highlighted.

Chapter 5, *“Hybrid Organisations from the Global South embedded in Global Value Chains: Their neglected contribution to Social Innovation”*, sheds light on the conceptual and methodological approaches developed in the study. The chapter argues that there are limited insights into how hybrid organisations emerge and unfold in different contexts. Using the case study of ISSPs, the chapter aims to fill this research gap by contributing to a

deeper understanding of the complex institutional dynamics involved in the emergence and formation of the hybrid organisational fields in the Global South. In addition, it points out the social impacts, of hybrid organisations, that result from the organisations' embeddedness in Global Value Chains. Empirically, the chapter investigates the field configuring processes of ISSPs in Kenya from an evolutionary and institutional perspective. The findings reveal the multi-scalarity of the field formation processes. In particular, complex institutional and organisational changes, characterised by spatio-temporal dynamics and configuration processes on different spatial scales, underlie field creation.

Chapter 6, *“Hybrid organisations embedded in resource-poor contexts: linking organisational capabilities and individual capabilities – a slippery ground?”*, makes a conceptual contribution by bringing together two separately developed literature strands, organisational and individual capabilities approaches, to enhance the conceptualisation of capabilities and unravel how hybrid organisations fulfil their social mission. Empirically, it contributes to the research on the outcomes associated with hybrid organisations that provide marginalised individuals with digital work in the impact sourcing field. Specifically, using a qualitative research design, the chapter examines ISSPs and their beneficiaries in Kenya to understand these organisations' efforts to develop beneficiary capabilities while strengthening their organisational capabilities to become and remain successful in the market.

The chapter illuminates two distinct ways in which hybrid organisations invest in building beneficiary capabilities identified as *“standardised”* and *“individualised”*. This, as a result, leads to the variation in the beneficiary capabilities, showing that the job security anchored in the time period of the so-called *“fixed-term contracts”*³ as contrasted with *“project-based contracts”*⁴, alongside longer-term training commitment and professional development, led to more pronounced beneficiary capabilities. Compared to hybrid

³ A *“fixed-term employment contract”* is understood as a contractual agreement that is valid for a term of four to five years to enable the beneficiary pursue higher education.

⁴ A *“project-based contract”*, also referred to as a *“piece-rate contract”*, is a contractual agreement that is valid within the time frame in which the project that the beneficiary is involved is running. Specifically, this type of contract emphasises that beneficiaries are not entitled to any benefits other than payments for the successfully completed micro-tasks.

organisations committed to *“standardised”* beneficiary capability development approach, hybrid organisations that focused on *“individualised”* approach, find it more difficult to develop organisational capabilities to achieve financial sustainability. Most importantly, the chapter underlines the central role of continuous experimentation, resilience and learning in enhancing organisational capabilities.

IV Empirical Findings

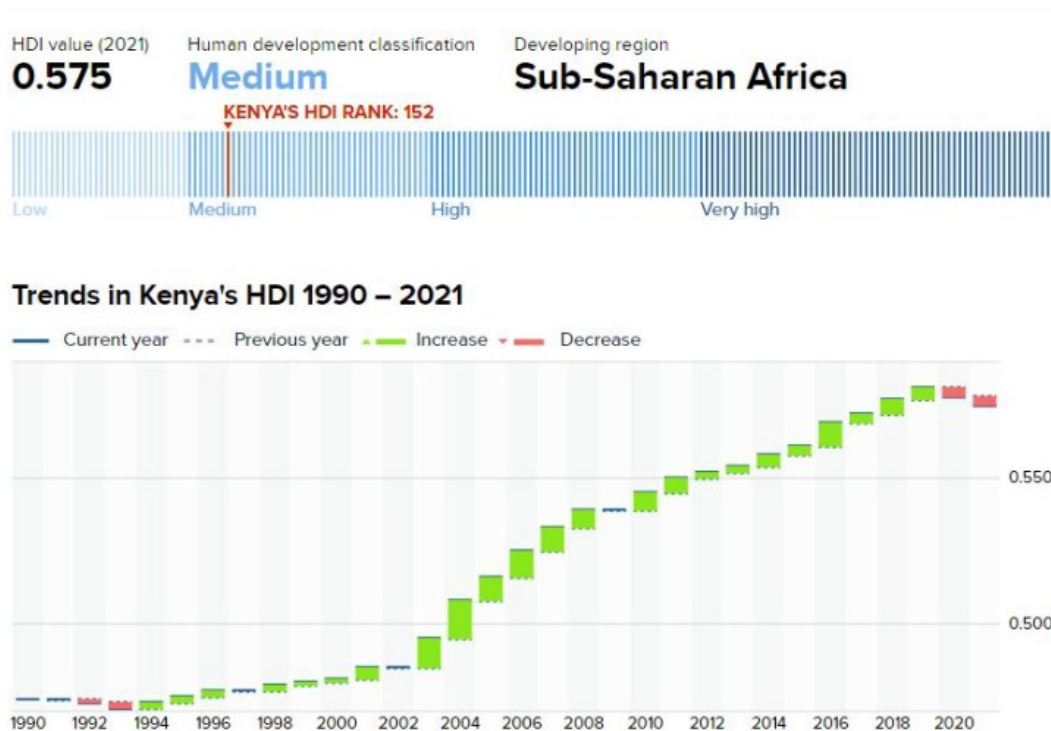
4. Socio-economic Development Structures, Processes and Challenges in Kenya

In this section, Kenya's socio-economic background is highlighted to contextualise the institutional environment within which impact sourcing service providers were embedded. Kenya, a lower-middle-income East African country, with a population of over 53 million as of 2023 (World Bank, 2023; UNDP, 2023) is one of the largest economies within the East African Community⁵. With a nominal gross domestic product of US \$99 billion by 2019, Kenya is ranked 61st in the world and 6th in Africa (IMF, 2019). Related to sustainable development goals (SDGs), the country has a human development index (HDI) of 0.575 (2021), ranking 152nd out of 191 countries and territories (Figure 2) (UNDP, 2023).

In terms of economic structure, Kenya is dominated by the service sector at 54.4%, followed by agriculture at 22.4% and manufacturing at 17% (Statista, 2023). Tourism remains the country's largest service sector. As well, ICT-enabled services seem to be gaining stature, in recent times. Although the country is a latecomer to the global business services outsourcing (BPO) industry, it is trying to establish itself as one of the most important outsourcing destinations in Africa. Available statistics indicate that ICT-enabled services contribute to approximately 250,000 jobs as well as 7% of the GDP (Manning, 2022; Mwangi, 2022).

In comparison to other low-income countries, Kenya appears to have a relatively high-quality education system and a high literacy rate (Manning, 2022). Even so, inequality and unemployment are among the most significant challenges hindering the attainment of the SDGs in the country. With a Gini coefficient of 0.445 (KNBS & SID, 2013), Kenya is characterised with high inequality levels. Similar trends can be observed in the country's unemployment levels. Statistical evidence places the country's unemployment rate at around 40% of the total population (CIA, The World Factbook, 2023).

⁵ <https://www.eac.int/eac-partner-states/kenya>



Source: UNDP, 2023

Figure 2. Trends in Kenya's Human Development Index between 1990 and 2021

4.1 The Contribution of the Kenyan Government to Institutional Change in the ICT-Enabled Services Industry

As far as addressing unemployment and fostering socio-economic development is concerned, the decade beginning in 2003 (see Figure 2 above) can be seen as a critical juncture in Kenya's development trajectory that led to the emergence of the ICT-enabled services industry in the country. The government taking an active role was influential in instituting institutional changes through subsidies, incentives and policy reforms such as liberalisation of Internet services and establishment of the ICT Board to create a supportive institutional environment for the private sector (Government of Kenya, 2003; Mann & Graham, 2016; Ndemo & Weiss, 2017).

Also, government involvement in infrastructure development including fibre-optic cables and BPO parks is much pronounced in this time period (Mann & Graham, 2016; Ndemo & Weiss, 2017). As a result, Kenya appears to have made significant progress in the ICT sector, as reflected in the penetration rate of Internet services at 43%, mobile money transactions at 59%, and mobile phones usage at 83% respectively (Bramann, 2017). At the same time, the Kenyan capital has witnessed increased activity in ICT accelerators and incubators, as well as entrepreneurial competitions leading to the emergence of several innovative ICT ventures (*Ibid.*). Of much importance to the BPO industry was the government's development of a long-term "Kenya vision 2030" plan that singled out the BPO industry as one of the main economic sectors with potential to transform Kenya into an industrialising, middle-income country by the year 2030 (Government of Kenya, 2007, p.vii). It was envisaged that the BPO industry would grow rapidly and become a major foreign exchange earner, as well as employment creator (*Ibid.*). These aspirations fit into the wider ICT4D discourse (Avgerou, 2010; Unwin, 2017), which credits ICT with considerable potential to improve the lives of the poor, open up market access, and enable new forms of economic inclusion (Kleibert & Mann, 2020).

4.2 Pre-Institutionalisation Phase in the Emergence of the Hybrid Organisational field of Impact Sourcing Service Providers in Kenya

Notwithstanding the government's commitment to the development of the BPO industry, Kenya seemed to face insurmountable obstacles in upgrading into globally competitive capabilities and was not able to successfully integrate into the GVCs of the BPO industry (Manning, 2022). Thus, as from 2011, there was a radical shift in government strategy towards the development of information technology (IT) outsourcing and IT-enabled services (ITES) industry. This coincided with the period when the Rockefeller Foundation, a renowned global intermediary, assuming the responsibility of an institutional entrepreneur worked with other global and local knowledge-intensive intermediaries to foster institutional change in the BPO industry. The focus was to incorporate the ideals of social

responsibility into the BPO industry by developing a niche termed as “*impact sourcing*” (The Monitor Group & The Rockefeller Foundation, 2011).

Also, the foundation financially supported studies to develop business models for impact sourcing (Everest & The Rockefeller Foundation, 2014). Addedly, it offered support to the hybrid organisation “*Digital Divide Data*”, a pioneer in impact sourcing operating in Cambodia, to establish an office in Kenya in order to set an example to incumbent BPO companies (The Monitor Group & The Rockefeller Foundation, 2011). Later, mainstream BPO service providers led by companies such as “*Techno Brain*” adopted impact sourcing. By 2014, impact sourcing had seen increased growth, with an estimated global market share of 12 percent (Everest & The Rockefeller Foundation, 2014).

5. Hybrid Organisations from the Global South embedded in Global Value Chains: Their Neglected Contribution to Social Innovation

Abstract

Alternative economic forms are credited with great potential to contribute to social innovation and sustainability transitions. Hybrid organisations, combining multiple institutional logics, emerge in different forms in many regional contexts. There are, however, limited insights on the emergence and unfolding of hybrid organisational fields in different spatial contexts, especially in the spaces of the Global South. This chapter contributes to this shortcoming by investigating the institutional dynamics of the emerging field of impact sourcing service providers (ISSPs) in Kenya. Impact sourcing can be considered as a social innovation. These hybrids follow a social mission to promote the integration of disadvantaged youth in the labour market by building ICT capabilities, simultaneously striving for financial sustainability for the organisation. The findings of this study reveal the multi-scalarity of the field configuring processes; furthermore, they reveal the necessity for Global South hybrids to flexibly combine the weight of both economic and social logics in their business models. This enables them to cope with the double burden of building legitimacy for new practices in the local environment, and the global value chains (GVCs), simultaneously. Combining neo-institutional organisation theory with insights from evolutionary economic geography and social innovation theory, this contribution provides deeper understanding of the complex institutional dynamics involved in the emergence and formation of fields of hybrids in the Global South, as well as the social impacts resulting from their embeddedness in GVCs.

Keywords

Hybrid organisations, Global South, Social innovation, Organisational and institutional dynamics, change, Global Value Chains

5.1 Introduction

Alternative economic forms that address global environmental and societal challenges in a sustainable and inclusive way, like social enterprises or social businesses, are gaining stature. They are credited with great potential to contribute to social innovation, and are even considered as a broader societal force for change (Ometto *et al.*, 2019; Strambach & Dorenkamp, 2018). By identifying unmet social needs, recognising entrepreneurial opportunities and responding with new business models that combine different institutional logics⁶—the social and the economic logics—they can implement and scale up social innovation (Mulgan, 2006; Nicholls & Cho, 2006; Phillips *et al.*, 2015). The emergence and spread of so-called hybrid organisations has been observed in many countries, with varying degrees of intensity and different dynamics. At present, insights into how this type of organisations can contribute to social innovation in countries of the Global South with a large number of societal challenges are limited.

From a global value chain (GVC) perspective, economic globalisation has not only created significant development opportunities for companies in the Global South, but at the same time has accelerated rising inequalities, precarious working conditions, and environmental exploitation, especially in countries with weak state regulation (Nadvi, 2014). Therefore, essential issues connected with social innovation have been gaining in importance in supply chains recently, such as the concepts of social upgrading and corporate social responsibility (CSR) of lead firms. Improving both economic and social conditions for workers and communities linked to GVCs, is a vexing developmental problem (Gereffi & Lee, 2016), and up to now the contribution of hybrid organisations has received little recognition in research and development strategies of GVCs.

⁶ Institutional logics refer to *'the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organise time and space and provide meaning to their social reality'* (Thornton & Ocasio, 1999, p. 804).

This contribution aims to contribute towards closing this research gap by focusing on a particular emerging field of hybrid organisations: Impact Sourcing⁷ Service Providers (ISSPs) in Kenya, which employ disadvantaged, marginalised people and train them to provide business services for the global Business Process Outsourcing (BPO) industry. The study investigates the emergence and unfolding of this organisational field from an evolutionary and institutional perspective.

Compared to both established organisational for-profit or non-profit templates, they deviate from their prevailing socio-institutional contexts, and therefore have to find legitimacy for the new organisational forms. The interdisciplinary research provided substantial insights into the internal and external tensions faced by hybrid organisations, grounded in the combination of different, even conflicting institutional logics (Battilana & Lee, 2014; Billis, 2010; Doherty *et al.*, 2014). Thus, their spatial unfolding is inherently connected to institutional changes.

The study seeks to make a conceptual and empirical contribution by investigating two intertwined research questions:

- 1) How has the organisational field of ISSPs in Kenya emerged and unfolded in the global Business Process Outsourcing (BPO) industry?
- 2) How can ISSPs embedded in GVCs contribute to social innovation in their local environment?

The chapter is structured in the following way:

In the next section, it outlines the conceptual framework by combining neo-institutional organisation theory with insights from economic geography and social innovation theory. After discussing the methodology, empirical findings on the institutional dynamics in the evolution of the organisational field of ISSPs in Kenya are presented in the fourth section. This is followed by the context-specific challenges these hybrid organisations are facing. The chapter concludes by discussing institutional dynamics and the role of knowledge-

⁷ Impact sourcing can be considered as a social innovation. Actors intentionally and purposefully try to change established practices to address social problems and to contribute to perceived social needs (Franz, *et al.*, 2012; Howaldt & Schwarz, 2010).

intensive intermediaries in the emergence and unfolding of hybrid organisations of the Global South embedded in GVCs, and sketching an outline for further research.

5.2 Hybrid Organisations, Social Innovation and Institutional Dynamics

In this section, the conceptual framework will be elaborated by adopting an interdisciplinary approach, and combining neo-institutional organisation theory with insights from economic geography and social innovation theory. The combination of these research streams, contributes to a deeper understanding of the complex institutional dynamics in the emergence and formation of fields of hybrid organisations located in the Global South, and their social impacts, enabled due to embeddedness in GVCs.

5.2.1 Institutional Dynamics in the field formation of Hybrid Organisations

The last decades have been characterised by an increasing uncoupling of economic growth and social and economic development (Chataway *et al.*, 2014). In response to widening inequalities and environmental sustainability concerns, there is a growing requirement for social innovation, and increasing interest in hybrid organisations, following a dual mission (Doherty *et al.*, 2014) in the core competencies, since these alternative economic forms, such as social enterprises or social businesses, seem to have a considerable potential to support social value creation with their business models.

There is a large variety of hybrid organisations, characterised by the common objective of solving primarily social and ecological problems (Fueglistaller *et al.*, 2016; Grove & Berg, 2014), and concurrently trying to achieve financial sustainability. Even though this appears to be an international phenomenon, multi-faceted and cross-sectoral in nature, the emergence and unfolding of hybrid organisational fields in different spatial contexts is not well understood, especially in the spaces of the Global South.

However, this remains a pertinent issue as evolutionary economic geography pointed out, that place-based institutional environments evolved over time in a path-dependent way, shaping social innovation and regional pathways of sustainability transitions significantly (Hansen & Coenen, 2015; Loorbach *et al.*, 2017, Strambach & Pflitsch, 2020). Moreover, social innovation theory, far from being a unified paradigm, emphasises the context-embedded nature of social innovation (Moulaert *et al.*, 2013); as social needs are highly context specific and social innovations are directed at changing established social practices in an intentional way so as to solve social problems. Consequently, this type of innovation is inherently connected with processes of institutional change (Cajaiba-Santana, 2014).

Hybrid organisations, due to the dual mission of their business models, deviate from established institutional environments. To contribute to social innovation, these organisations have to find legitimacy⁸ for new practices in their local environment. To what extent different place-specific institutional conditions support or hinder the establishment of hybrid organisations is highlighted as a field of further research (Battilana & Lee, 2014; Doherty *et al.*, 2014).

Moreover, hybrid organisations from the Global South are confronted with a double burden when they strive to anchor their economic activities in GVCs, to fulfil the social mission in their local environment. In addition to being compatible with the institutional contexts of the local environment, they have to find acceptance for their new practices from incumbent actors and diverse stakeholders of the GVCs, and their established institutionalised business practices.

To date, related to institutional dynamics, there is a lot more knowledge on self-reinforcing mechanisms stabilising existing institutional settings, than on the early processes of institutionalisation and their spatial shaping. Not fully explored, is how new meanings and innovative framings of problems evolve, gain legitimacy (Deephouse & Suchman, 2008; Suchman, 1995), and are amplified and stabilised in such a form that these micro-processes instantiate gradual changes of meso- and macro-structures at later points in time

⁸ Legitimacy is understood as '*a generalised perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed systems of norms, values, beliefs and definitions*' (Suchman, 1995, p. 574).

(Strambach & Pflitsch, 2020). How hybrid organisations from the Global South, embedded in GVCs, can contribute to social innovation in their local environment, is mainly understudied.

The study investigates the emergence and unfolding of ISSPs in Kenya, which are embedded in the global BPO industry, using the organisational fields' perspective⁹, a central concept in institution theory. The approach of organisational fields as a level of analysis is a beneficial unit linking micro levels of individuals and organisations with broader sectoral, societal and transnational structures at macro levels (Scott, 2014; Wooten & Hoffman, 2008).

The ability to analyse ways in which hybrid organisations enact their environment and simultaneously are enacted upon by the same environment, is the essence of the fields' perspective (Scott, 1994). Even though the boundaries of organisational fields are not geographically determined, they are culturally, politically, and socially established (Scott, 1994), all three key components are situated in space—in both geographical and socially constructed spaces, as underlined by scholars in economic geography (Strambach & Halkier, 2013).

To grasp the complex institutional dynamics in the emergence and formation of the organisational field of hybrids, it is necessary to take into account both the spatial dimension and the temporal dimension of field configuration. The empirical study explores the processes that encourage field formation and collective agency, by employing the concept of institutional work, which focuses on understanding processes of maintaining, transforming and creating institutions by individual and collective actors, at different institutional levels in their interconnectedness (Lawrence *et al.*, 2011; Lawrence & Suddaby, 2006). Institutional work has proved useful in examining the link between institutions and human agency, explaining processes and forms of institutional change and the role of actors in these processes (Gawer & Phillips, 2013).

⁹ The concept of fields refers to relational and meaning systems of a set of individual and collective actors that constitute a social arena by orientating their actions toward each other (Fligstein, 2001; Scott, 1994) in direct or indirect ways.

5.2.2 Linking Hybrid Organisations and Social Innovation to Global Value Chains' Research

From a management perspective, Kannothra *et al.*, (2018) recently called for deeper integration of geographical embeddedness in future research, based on a first comparative study on growth orientation and tensions of hybrids in Global Supply Chains (GSC). They underline that management concepts in the analysis of tensions, might benefit from a 'spatial turn' (Kannothra *et al.*, 2018, p. 272). Research on GVCs—mainly developed in economic geography, sociology, and political economy—has a broader perspective compared to GSC in management science and business administration. Contextualisation, spatialities and relationalities are much more pronounced in GVC research.

Key issues are different forms of governance and the analysis of resulting '*upgrading possibilities*' for actors located in the Global South participating in GVCs. The recognition that GVC analysis can be a critical instrument for development policy is different from the GSC perspective of management science. Economic upgrading in GVCs was long seen as the primary means of ensuring development gains. The conditions of different types of economic upgrading (product, process, functional, interchain), processes of knowledge transfer, learning and capability building of firms and local clusters in developing countries through embeddedness in GVCs, have dominated research for a long time, reflected in the vast literature on economic upgrading (Gereffi, 2019; Humphrey & Schmitz, 2000; Lundvall & Lema, 2015; Schmitz, 2004).

Recently more attention has shifted to the social dimension, based on substantial empirical evidence that economic upgrading does not necessarily lead to simultaneous social and human development, as assumed in the past (Lund-Thomsen *et al.*, 2021; Ponte *et al.*, 2019; Rossi, 2019). The intertwined key concepts of social upgrading and CSR are enlarging the perspective of governance in ongoing research.

Social upgrading mainly focused on the process of improvements in the rights, entitlements and benefits of workers as social actors, by enhancing the quality of their employment (Barrientos *et al.*, 2011; Rossi 2019). At present, GVC research is focusing on the linkages

between economic upgrading of firms and social upgrading of workers (Barrientos *et al.*, 2011); to understand better the circumstances under which both foster or hinder each other, in different industrial sectors and geographical contexts.

There is an increase in and a broader acceptance of corporate social responsibility (CSR) in business in general, which is manifested, for example, in the Global Reporting Initiative standard and the international voluntary standard ISO 26000 on social responsibility, which have been in operation since 2016 and 2010 respectively. These developments also prompted scholars to explore the potential of CSR in GVCs, to improve poor working conditions in export-orientated industries in the Global South (Hassan & Lund-Thomsen, 2016; Locke *et al.*, 2009; Lund-Thomsen & Lindgreen, 2013; Lund-Thomsen, 2019).

However, empirical studies provide an inconsistent, and partly contradictory, picture of the contribution of CSR to social upgrading (Barrientos, 2013; Egels-Zandén, 2017; Hurst *et al.*, 2011, Jindra *et al.*, 2019; Lund-Thomsen *et al.*, 2012; Lund-Thomsen & Lindgreen, 2013; Rossi, 2019). Ongoing organisation and management studies in corporate responsibility (CR) research, point in the same direction, by exploring the contingencies related to CR. The question: '*why CR does sometimes lead to negative or positive outcomes, and under what conditions or cultures these outcomes are most likely*', is an issue of scholarly debates (Ghobadian *et al.*, 2015; Phillips *et al.*, 2015).

5.2.3 Potentials and Challenges of Global South Hybrid Organisations Embedded in Global Value Chains

This section argues that hybrid organisations, through their innovative business models, have the potential to contribute to social impacts beyond the employed workforce, which is the main focus of GVC research and development strategies. Social innovation occurs across various forms of organisation besides NGOs, through the CSR activities of for-profit corporations and hybrids with a dual mission in the core competencies (Ghobadian *et al.*, 2015); however, the manner in which these activities are organised, makes a profound difference. Compared to for-profit corporations, the main reason for the existence of

hybrid organisations is the creation of social impacts, and financial success is the means to achieve social values (Phillips *et al.*, 2015; Spieth *et al.*, 2018).

For organisations that strive to realise economic gains for private individuals or shareholders, the contribution to social outcomes does not have the same importance. Following a dominant economic institutional logic, financial and time resources made available for such activities are limited, and only relevant if they do not jeopardise economic success. In the current CR discourse, it is also argued that these activities are often applied as a means to achieve financial success (Phillips *et al.*, 2015).

Another difference, which is rooted in the different forms of organisations, is the nature of performance. Hybrid organisations in the Global South, which are successfully integrated into GVCs, provide economic and social values simultaneously. In contrast to CSR activities provided by for-profit corporations, they deliver beyond the economic value for which their international clients pay; an innovative problem solution to a perceived context-specific social need. CSR activities are often short-term orientated and trimmed down due to financial reasons, or if the expected social impacts do not occur in the expected CSR period. The long-term orientation of hybrid organisations on the social mission implies potentials compared to CSR activities, since social impacts on the society level only emerge at a later time.

However, the anchoring of economic activities in GVCs as the means to contribute to the social mission is very challenging. Notably, due to the fact that the demand side for the economic value and the social value of hybrid organisations, in the Global South, are spatially separated. This has important implications, significantly pointed out by the research stream of the economic geography of innovation. The lack of geographical proximity associated with cognitive and institutional distance, makes it difficult for international clients to recognise the social outcome; even more, to appreciate and assess the social values.

Especially as symbolic knowledge¹⁰ is the main basis for social innovation (Asheim *et al.*, 2011; Strambach, 2017). Symbolic knowledge is considered to be more socially constructed in comparison to science-based or technological knowledge. Although this type of knowledge has been shown to be highly context-specific and distance sensitive in empirical studies (Asheim, 2007; Gertler, 2008; Martin & Moodysson, 2013), it remains a crucial feature of the micro-dynamics that underlie social and sustainability innovation.

Moreover, related to the economic value, the geographical distance makes it difficult to access customers and their qualitative requirements, as well as to identify new needs and trends on the demand side. Yet, investigation of both alternative economic forms such as hybrid organisations, and social innovation, is somewhat neglected in GVC literature. The intention of this study, therefore, is to investigate how the organisational field of ISSPs emerged in Kenya and unfolded in the global BPO industry, as well as how ISSPs, embedded in GVCs, contribute to social innovation in their local environments.

¹⁰ Symbolic knowledge is defined as '*a deep understanding of the habits, norms, and everyday culture of specific social groupings*' (Asheim *et al.*, 2011, p. 897; Strambach, 2017).

5.3 Methodology

For intensive analysis, the study adopted a qualitative research design. Qualitative methods are suited to study complex phenomena and interdependence of various determinants about which little is known, for which a novel understanding is required, or both (Strauss & Corbin, 1998). Working with a qualitative method enables exploration of new questions and gaining a better understanding (Flick, 2009), especially in this study, since impact sourcing is an emerging organisational field about which little is known.

Data collection took place in Nairobi in 2019 among ISSPs managers and beneficiaries, non-profit organisations, financial intermediaries and scientific actors such as university professors. Secondary research also included participant observation and semi-structured expert interviews (Table 3).

Forty-two personal interviews were conducted in the offices of the respective respondents, each lasting between 60 and 90 minutes. For empirical selection, the theoretical sampling strategy was used. The criteria included actors involved in or supporting, impact sourcing, and members of the Global Impact Sourcing Coalition (GISC). GISC is a normative network of organisations that promote impact sourcing by recruiting, training and developing careers of disadvantaged people.

Collected data were recorded and supplemented with notes, to avoid loss of relevant information and ensure transparency of results, interviews were also kept anonymous. Data analysis followed the content analysis approach developed by Mayring (2014). Deductively and inductively developed categories were used to identify passages relevant for analysis. Interview transcripts were examined using deductive, theory-based coding, supplemented by inductive coding formulated from transcripts. Examined ISSPs differed in terms of age, size, location, services and tasks undertaken by beneficiaries (as shown in Appendix 3).

5.3.1 Case Study

ISSPs are hybrid organisations within the BPO industry, that employ, build capabilities and develop careers for disadvantaged people at the bottom of the pyramid, and with limited sustainable employment opportunities, to provide information-based services (Everest & The Rockefeller Foundation, 2014; Carmel, *et al.*, 2016; The Monitor Group & The Rockefeller Foundation, 2011). They are characterised by employing and training disadvantaged individuals within their local communities to provide business services to domestic and international clients (Lacity *et al.*, 2012).

Their target group includes youth who are not able to pay for higher education, have no formal work experience and come from informal settlements. Mainly they focus on Kenya, South Africa, Nigeria, Ghana, Egypt, Morocco and India, countries with a high proportion of unemployed high school graduates (Kannothra, 2018). Research interest in ISSPs has increased over the past decade, particularly in relation to hybridity tensions, clients, business models, and services (Heeks 2012; Kannothra, 2018; Lacity *et al.*, 2012).

Table 3. Data Overview

| Organisation | Interviews | Function within Organisation |
|--|-------------------|--|
| <i>A. ISSPs</i> | | |
| 1) Adept Technologies | 2 | HRM & Digital Media |
| 2) Cloudfactory | 3 | General, Operations & HRM |
| 3) Craft Silicon | 3 | CSR, Administration & CEO |
| 4) Daproim Africa | 2 | General & HRM |
| 5) Digital Divide Data | 4 | Social Impact, HRM, Research & Production |
| 6) SamaSource | 2 | Impact & Marketing Managers |
| 7) Techno Brain | 2 | Business Development & CEO |
| <i>B. Donor/Financial Intermediary</i> | | |
| 1) The Rockefeller Foundation | 1 | Managing Director Africa |
| <i>C. Universities</i> | | |
| 1) University of Nairobi | 1 | Prof. of Entrepreneurship & Former PS, Ministry of ICT |
| 2) Rongo University | 1 | Professor of Economic Policy |
| <i>D. Impact Workers</i> | | |
| | 18 | Trainees & workers |
| <i>E. Non-profit Organisation</i> | | |
| 1) Nairobites | 3 | Program, CBO Liaison & Training Managers |
| Total | 42 | |

Source: based on own data

5.4 The Evolution of Impact Sourcing in Kenya – Institutional Dynamics

This study revealed that impact-sourcing development in Kenya was an outcome of joint efforts of various global and national actors working together. Notably, the Kenyan government and the Rockefeller Foundation (RF) played a central role in creating its foundations. In the pre-institutionalisation phase (the late 1990s to 2011), the government stimulated the development of the BPO industry by drawing lessons from the success stories of India, the Philippines, China and South Africa and making ambitious ICT infrastructure investments in undersea fibre-optic cable, in the expectation that Kenya would become a leading African BPO destination (Interview 2019, BPO Expert 1). Anticipation was high that the industry would grow exponentially, providing much-needed jobs for the majority of the population.

In this phase, the government took the lead and contributed to institutional change through policy development, marketing, incentives and subsidies, and the liberalisation of internet services (Figure 3). To give long-term orientation, government actors developed a strategic vision plan 2030. They built necessary infrastructure such as BPO parks and created conditions for the BPO industry's take-off (Interview 2019, BPO Expert 2). Nevertheless, Kenya struggled unsuccessfully to establish itself on the global market.

Lacking access to international knowledge networks, the government was unable to connect the BPO industry with incumbent GVCs. As a laggard in the international BPO market, the country was neither able to build a successful brand to connect with established GVCs, nor compete with economies of scale offered by China, the Philippines and India. Confronted with these difficulties, the government initiated institutional changes from 2011, intending to create a distinct niche in IT outsourcing and IT-enabled services (ITES), to capture value and develop advanced skills (Interview 2019, BPO Expert 2). Development of information and communication technology incubators, innovation centres and accelerators were a priority.

These initiatives prepared the ground for collaboration of the government with the RF, aimed at creating impact sourcing. Notably, the Foundation fostered institutional changes

through institutional work at different spatial scales—international, national and on the micro level of ICT service providers—to promote the emergence and unfolding of the organisational field of impact sourcing. This will be outlined in more detail in the following section.

5.4.1 Creating Impact Sourcing through Theorising, Constructing Normative Networks and Building Legitimacy

The RF fulfilled a primary function as an essential institutional entrepreneur, together with global intermediaries, contributing their specialised knowledge bases. The Foundation performed institutional work to create, change norms and beliefs, theorise, and legitimise impact sourcing among different stakeholders such as BPO, regulators, financial organisations and even clients, as Figure 3 below shows. These coalitions and networks acted as important drivers for institution building (Wooten & Hoffman, 2008).

In the first years, 2011–2013, forms of institutional work were carried out to define the meaning of impact sourcing, specifying its values, and translating this abstract concept into formulated organisational and social practices. Moreover, a vital issue in initiating the emergence of the organisational field of impact sourcing within the established BPO industry was the development of empirical evidence of the usefulness of this new practice, in social and economic terms. In this first period the RF was involved in a partnership with the Monitor Group, a global consultancy with more than three decades of experience in strategy and social change, in defining the meaning and framing of *'impact sourcing'* (Interview 2019, RF).

This initiative was the first critical step that formed the basis for communicating the values and usefulness of the concept. It built the primary base to create a common understanding and cognitive proximity for incumbent organisations and stakeholders in the BPO industry. It inspired, even in these early years, some established BPO actors in Kenya, to adopt and communicate the concept through mission statements in their business models and external communications with stakeholders (Figure 3). From the institutional work

perspective, these activities can be considered as '*theorising*' (Greenwood *et al.*, 2002, p. 60), the development and specification of abstract categories and the elaboration of chains of cause and effect, that the new concept and new social practices become part of the cognitive map of the actors in the field (Lawrence & Suddaby, 2006).

The collaboration of the RF with the Avasant Foundation and the Accenture Development Partnership, contributed to this type of institutional work correspondingly. The Avasant Foundation, a consulting firm with more than a decade of experience in global youth empowerment, conducted external practice work to model the discourse, norms and structures of impact sourcing, and shape BPO actors' behaviour, practices and interactions. Accenture Development Partnership was engaged with the development and testing of impact sourcing-orientated business models (Interview 2019, RF).

By financing projects such as Poverty Reduction through Information and Digital Employment (PRIDE) and Digital Jobs Africa, the Foundation promoted external practice work. The results gained, facilitated the communication and dissemination of new practices to incumbent organisations in the field.

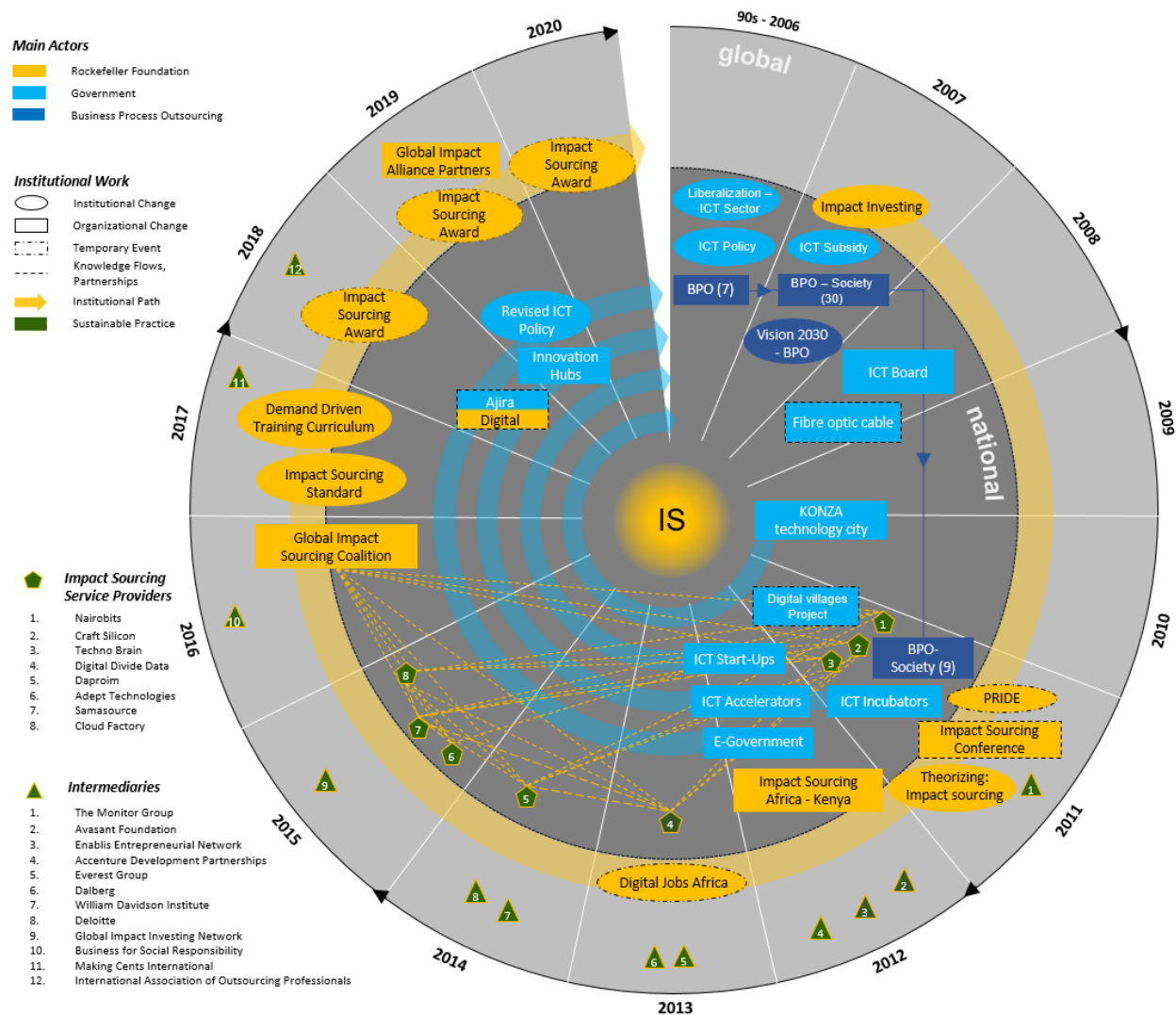
Furthermore, the RF performed legitimacy work to promote common understanding and external acceptance of impact sourcing. Legitimacy work is a form of institutional work, designed to shape meaning systems and collective agency by influencing how existing institutional norms are perceived, and by fostering collective identity building for the new logics (Gawer & Phillips, 2013; Lawrence & Suddaby, 2006). As a nascent field, impact sourcing lacked legitimacy and faced challenges in influencing logic shifts within the BPO industry. Through external communication, organising networking events and building and maintaining trust, the foundation was able to shape common understanding.

Simultaneously, in these early years, institutional changes at the global level of the BPO industry, promoted the legitimisation process and acknowledgement of impact sourcing. The rise of the international CSR concept gained increasing importance and found entrance in the activities of the global outsourcing industry during this period. The International Association of Outsourcing Professionals (IAOP), represents a global community of more than 120,000 members and affiliates worldwide, and is the leading professional association focused on outsourcing (Nicholson *et al.*, 2016). The IAOP created an inaugural Global

Outsourcing Social Responsibility Impact Award in 2012 to point out best practices, and published the first Outsourcing Professionals' Guide to Corporate Responsibility in 2013.

In the following years 2014-2016, the foundation was continually engaged in legitimacy building, emphasising the benefits of impact sourcing for both firms and disadvantaged youth. On various communication platforms located at different spatial levels (regional, national and international), the RF underlined that impact sourcing, being a form of *'inclusive employment'* (Interview 2019, RF), had the potential to contribute to social and economic progress while creating added value for the BPO industry.

Additionally, it drove external practice work in collaboration with the Global Impact Investing Network, one of the largest global communities of impact investors. The objective of this collaboration was the exploration of funding and investment models to promote and convince this stakeholder group of the social and economic values of impact sourcing.



Source: own figure
 Figure 3. *Evolution of Impact Sourcing*
 Cartography: Janek Riedel

The study found, however, that the process of legitimising impact sourcing was not without effort. The RF respondents stated that the foundation was aware that impact sourcing had the potential to disrupt business models, and therefore did not want to *'fall into the trap'* (Interview 2019, RF) of being seen as disruptive to others' businesses. The foundation intended to take the role of *'being a neutral broker'* (*Ibid.*) seriously, to foster trust in the social values of impact sourcing among BPO stakeholders. Consequently, the organisation did not require actors to adhere strictly to its definition of impact sourcing, that is, employment of *'high potential yet disadvantaged youth (high-school graduates)'* (Interview 2019, RF) and rather maintained neutrality and let actors decide how to operationalise impact sourcing and translate it in actual business practices.

After several years of experience with the practice of impact sourcing in operational business, it became evident that there was a wide range of interpretative flexibility in the values, norms and objectives underscoring the social mission. In order not to run the risk that the social mission will be violated and instrumentalised for economic scaling, the foundation built a strategic collaboration with Business for Social Responsibility (BSR), a global knowledge-intensive intermediary with profound experience in sustainability.

As a result, both established the GISC in 2016. In this network, they bring together and connect the different stakeholder groups of the impact-sourcing ecosystem, at an international level. The objective of this normative network, is promoting knowledge sharing, learning as well as taking over the role of creating broadly accepted voluntary standards in the ecosystem, enabling compliance and assessment, for impact sourcing (Interview 2019, RF).

In recent years, the foundation built a strategic partnership with the IAOP, and organised and sponsored events such as the annual Outsourcing World Summit (OWS), bringing together BPO stakeholders. Concurrently, the foundation created an annual Impact Sourcing Award presented during OWS, to firms making significant progress in impact sourcing (Interview 2019, RF). Some of the award winners, such as Digital Divide Data and Samasource, operate in Kenya, creating global awareness and recognition for the country.

Finally, and also part of the legitimacy work, was shaping external acceptance of impact sourcing by regulatory authorities and financial organisations. At that time there existed neither legal forms nor capital sources suitable for the needs of impact sourcing. At the time of our study (2019), the foundation was engaged in lobbying and advocacy work with governments, to develop policies for the recognition and legitimacy of impact sourcing, and with financial organisations, particularly the African Development Bank Group, to develop funding opportunities (Interview 2019, RF).

5.5 Impact Sourcing Service Providers in Kenya — Context-Specific Challenges

Hybrid organisations experience widespread and persistent tensions between economic goals and social mission, which occur in different areas and remain pronounced over time (Smith *et al.*, 2013). Even when managers make decisions in response to a particular challenge, the underlying competing demands, tensions and contradictions remain. To understand hybrid organisations, it is, therefore, necessary to have an insight into these ongoing tensions and how to deal with them (*Ibid.*).

In the Kenyan context, tensions already underlined in research, such as funding, hybrid identity, resource allocation and the lack of agreed indicators to measure social impacts were observed (Battilana & Lee, 2014; Kannothra *et al.*, 2018; Pache & Santos, 2013; Smith *et al.*, 2013; Smith & Besharov, 2019). In addition to these, the findings revealed context-specific challenges, which are highlighted in the following section.

5.5.1 Local Institutional Context

Kenya's institutional environment is not supportive to hybrid organisations. ISSPs were registered as private limited companies that were obliged to pay corporate income tax on their profits, because there was no legal form for ISSPs (Interview 2019, ISSP 4 HRM). This legal status did not allow ISSPs to receive government funding and incentives for the training and professional development of disadvantaged youth. Additionally, they did not receive government subsidies for infrastructure costs (Interviews 2019, RF; ISSP 2 HR).

Apart from the initial funding of ISSPs by the RF, there was no other government support. Furthermore, awareness of such companies had not been developed, especially in the local financial markets. Impact investing is not well established, and ISSPs had to seek external funding from traditional for-profit financial organisations that charged high interest rates

and prioritised economic returns over social mission (Interview 2019, RF). ISSPs were also sometimes confronted with misappropriation of financial resources involving community-based organisations (CBOs). The CBOs played an important role in providing access to disadvantaged youth. Nevertheless, fraud was reported, for example, an ISSP worked with the CBOs, where the ISSP financed the CBOs and provided them with equipment (Interviews 2019, ISSP 3 DM).

However, unfortunate cases were reported where some CBOs were not genuine and never acted in good faith; once equipped, they terminated their cooperation agreements prematurely and violated a previously agreed code of conduct, to generate revenue by charging fees for the training of disadvantaged youth (Interviews 2019, ISSP 3 DM). There were also reports of dishonest staff misappropriating funds, as well as cases of looting of ISSPs' training centres and theft of equipment.

In addition, ISSPs were faced with a lack of a domestic market, leading to competition among themselves. In the Kenyan context, the market is still at an embryonic stage, and the government's efforts did not yield much. The few available customers were price-sensitive, and did not recognise the value of *'paying an additional coin'* (Interviews 2019, ISSP 1 OD) to support the ISSPs' social mission, but preferred to buy low-cost services from conventional providers. Some clients were even unwilling to outsource services to ISSPs because they did not trust that *'high school graduates'* (Interviews 2019, ISSP 7 MD) would be able to meet quality standards.

5.5.2 Embeddedness in Global Value Chains

Despite the challenges, ISSPs had developed capabilities to serve international markets, as evidenced by the fact that for the majority of them (88 per cent) international customers make up more than 80 per cent of their total customers. The ISSPs were able to build and establish network relationships with global customers in the early stages of their development, due to the intermediary role of RF.

As the field progressed, RF established the GISC, bringing together and connecting the various stakeholders in the impact-sourcing ecosystem, and ISSPs are able to network and benefit from knowledge sharing and learning. As a result, some firms experienced economic upgrading to higher-value service processes, for example, by offering knowledge-intensive services, such as conducting field research on electronic payment platforms for firms like Mozilla. Some worked with international clients such as Amazon, on specific projects, and through these learning processes, skills such as cloud computing were promoted among the disadvantaged youth (Interview 2019, ISSP 1 OD).

5.6 Impact Sourcing Service Providers in Kenya — Contribution to Social Innovation

In order to understand the contribution of ISSPs to social innovation, the outcomes of impact sourcing for disadvantaged youth were examined, using four dimensions of the RF definition of impact sourcing as a baseline, including target group, recruitment practices, employment and training (Business for Social Responsibility & The Rockefeller Foundation, 2017; Interview 2019, RF). The intention was to measure social outcomes, as it was not possible to measure social impacts because they occur much later in time.

As mentioned previously, the RF was the pioneer in theorising impact sourcing, defining impact sourcing as an inclusive employment practice in which companies hire disadvantaged high school graduates who are long-term unemployed, and live below the national poverty line, and offer them job training, develop their capabilities and create opportunities for higher education (Gallagher, 2019; Interview 2019, RF).

Empirical findings revealed that putting impact sourcing into practice, across various ISSPs, deviated to varying degrees from the RF's criteria. For example, as far as the target group was concerned, there were large differences between ISSPs, while some employed high school graduates and people with disabilities, others employed either university and college graduates or students. It was also found that employment varied: some ISSPs hired

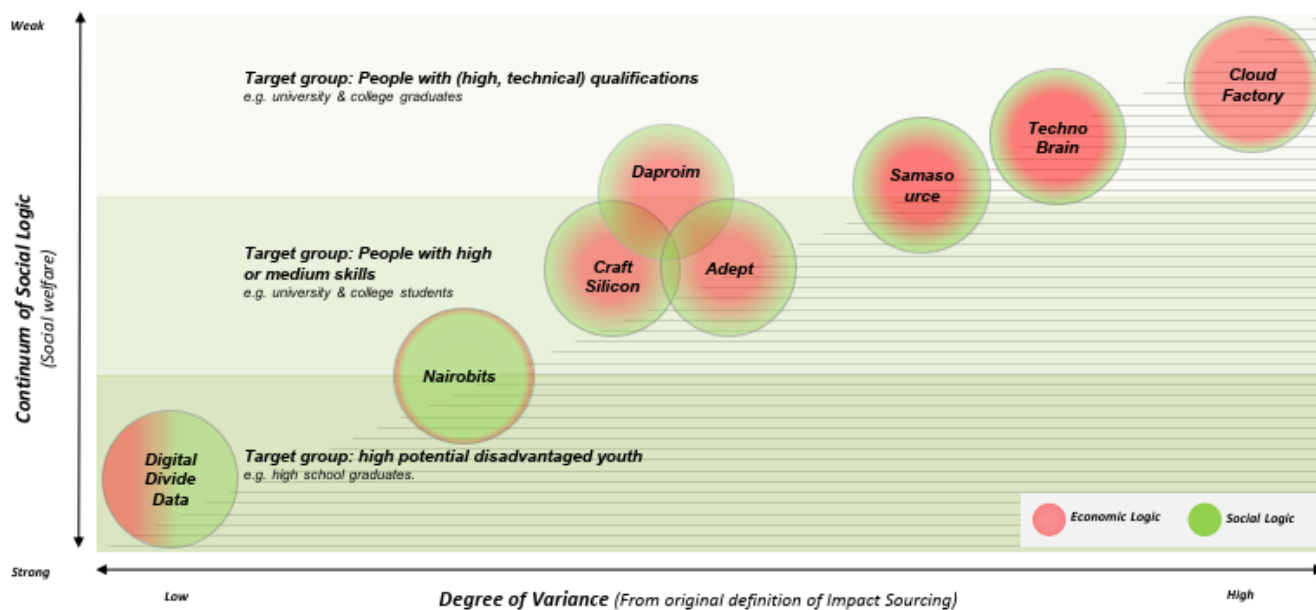
their target group as independent contractors, some only during the peak season and some on a permanent basis. Equally, training varied, with some offering a work-study program and university scholarships, others a one-week, another group a one-month technical training, yet others offered soft skills training. Benefits varied similarly, with some ISSPs only paying wages and others offering free meals, mentoring and health insurance in addition to wages (as indicated in Appendix 4).

The variation in organisational behaviour among ISSPs was attributed to the weight each ISSP attached to either the economic¹¹ or social¹² logic; the strength of either logic can be assessed on a continuum from relatively weak to strong. This was shown by the amount of effort, resources and time each firm invested in developing the capabilities of disadvantaged youth. The more resources invested, the more pronounced the social logic and *vice versa*. ISSPs with a strong social logic invested more in management resources, effort and time in recruiting high school graduates and building capabilities through longer-term training, thus giving them the chance to get a better job position.

Conversely, organisations with a more pronounced economic logic and a weak social logic, invested less in management effort, time and resources by recruiting and training already qualified people for a shorter period, in order to foster the financial sustainability of the organisation. As shown in Figure 4, the organisations on the far right were looking for university and college graduates that is they hired qualified people and trained them for five days. The recruitment criteria for these organisations were that people had skills, a computer and a web browser.

¹¹ Economic logic traditionally associated with for-profit firms pursues economic purposes and market-based methods. It has the satisfaction of shareholders as its primary objective and aims at financial return for shareholders (Spieth *et al.*, 2018).

¹² Social logic driven by social purpose is traditionally associated with non-profit organisations and considers solving a social challenge as its main goal (Kannothra, *et al.*, 2018; Spieth, *et al.*, 2018).



Source: based on own data

Figure 4. Impact Sourcing Continuum

Cartography: Janek Riedel

While the second group of organisations (in the middle of Figure 4), did not have a precisely defined target group, they employed a mixture of university and college graduates and students, and because of this diverse target group, the social outcomes tended to vary among their target group. The focus of these organisations was to provide people with decent digital work and a living wage.

In contrast, the organisations on the far-left of Figure 4 invested more resources in building the capabilities of high-school graduates and people with disabilities who were unable to pay for higher education, had no formal work experience and came from informal settlements (see Appendix 4). They recruited and offered them six months of BPO-specific training, alongside a four-year scholarship for higher education, while building mentoring and communication skills. When recruiting, these organisations emphasised the disadvantages and personality traits of their candidates. They used screening processes of home visits and cooperation with CBOs to check the suitability of their candidates (Interview 2019, ISSP 1 CSR).

Moreover, it became apparent, that ISSPs with a strong social logic faced financial challenges that threatened survival in their GVCs, but made considerable investments in

training, professional development and capability building of disadvantaged youth. Predictably, ISSPs with a weak social logic were financially more sustainable and experienced rapid growth, yet made a minimal investment in disadvantaged youth's training, professional development and capability building.

Empirical findings thus underline that the way impact sourcing was operationalised ultimately represented a continuum, meaning that different organisations interpreted impact sourcing differently. This, as a result, leads to the empirically grounded typology of firms that the study develops, showing that the combination of economic and social logics is perpetual, as underlined by Smith *et al.*, (2013). However, the results also show that ISSPs dynamically adapt to the double burden by varying their organisational behaviour on the continuum of weighting the economic and the social logic, depending on their needs, without making a complete shift towards one logic or the other.

5.7 Chapter Discussion and Conclusion

To come back to our first research question, focusing on the emergence and unfolding of the organisational field of ISSPs in Kenya, in the GVC of the BPO industry. Complex institutional and organisational changes, characterised by spatio—temporal dynamics and configuration processes on different spatial scales, underlie the field creation. In particular, collective agency and knowledge networks are important driving forces. In neo-institutional organisation theory, scholars outline the gap that processes encouraging field formation and collective rationality are not well-understood (Wooten & Hoffman, 2008).

The study revealed that for the emergence and unfolding of impact sourcing, public-private interventions and the support of the various international and local actors, was required. In the pre-institutionalisation phase, the RF, together with other knowledge-intensive actors, played a crucial intermediary role by supporting ISSPs financially and enabling them to enter the GVCs, acquire knowledge and build relationships with global clients. The still ongoing semi-institutionalisation phase is marked by complex learning processes that have supported institution building in a multi-scalar way.

In line with insights from the geography of innovation, the study provides evidence that knowledge-intensive intermediaries (KII) play a vital role in initiating institutional dynamics (Strambach & Surmeier, 2018). The specialised knowledge contributions of a whole network of knowledge-intensive service organisations, and their involvement at different points in time, were necessary in encouraging field formation. This type of actors fosters the creation of collective rationality and the building of legitimacy in these multi-scalar processes of field formation. By translating the meaning of impact sourcing for heterogeneous actor groups embedded in different geographical and institutional contexts, and various positions along the GVC, they contribute to reducing cognitive distances and relational proximity that facilitate the entrenchment of new practices in GVCs.

The recent decision of the RF to transfer the further institutionalisation process of the field, to the GISC can be seen as a critical juncture. The foundation changed its active role to a

more passive one, leaving a gap for the ISSPs in the Kenyan context, in particular. The field is still in a nascent stage, and the formation process is still fragile. Moreover, an endogenous KII capable of driving the institutionalisation process further at the global level does not yet exist. In addition, the institutional environment in Kenya is not conducive to hybrid organisations due to the lack of support from government, and the lack of awareness of their potential contribution to social innovation. It remains an open question whether ISSPs, facing the double burden, are capable of putting the effort into institution building, and whether they could bring the demands and voice of the Global South into the further institutionalisation process of the impact-sourcing field in the GISC.

With reference to the second research question, the findings at the micro-level of the ISSPs provide empirical evidence that the embedding of hybrid organisations in GVCs has the potential to contribute to social innovation. Beyond the social upgrading of the employed workforce, ISSPs respond to identified social needs in their local environment, with alternative business models to create social values and impacts.

The social mission is a *raison d'être* for ISSPs; however, the achievement of social values is dependent on financial success as an essential means. The results indicate that hybrid organisations, even though facing a double burden, and a number of context-specific challenges, try to cope with these tensions without ultimately shifting business models towards one logic.

Instead, they are exploring the interpretative plasticity of institutional settings dynamically, and combining operational elements of the social mission and the business ventures in varying degrees, to adapt flexibly to the fast-changing demands, as our empirically grounded organisational typology shows. The study underlines the long-term commitment of hybrid organisations to the social mission as a key difference between them and CSR activities. The latter is often a short-term endeavour, and profit-orientated corporations frequently neglect to establish and invest in the establishment of organisational structures and processes, to contribute to social outcomes and impacts continually.

5.7.1 Chapter Conclusion

Until now, there has been little understanding of the emergence and unfolding of hybrid organisational fields in different spatial contexts, especially in the spaces of the Global South, and of how Global South hybrid organisations embedded in GVCs can contribute to social innovation in their local environment. This chapter contributes conceptually and empirically to closing this gap, using the example of ISSPs in Kenya. Since the study is based on a single case study, its scope may be limited; nevertheless, it provides new insights and future research suggestions, related to hybrid organisations in GVC research. It also emphasises that it would be worth widening the narrow focus in GVC research on social upgrading and CSR, by integrating the broader perspective on social innovation and of alternative hybrid organisational forms.

Social impacts characterised by their emergence in society and at the community level over a longer period of time could not be grasped in this contribution. Therefore, longitudinal research could be necessary to fill this gap. In addition, comparative studies that examine hybrid organisations embedded in GVCs from different economic sectors and geographic contexts are another promising avenue for future research.

Moreover, investigating the complex and hidden institutional dynamics and their geographical and relational shaping as hybrid organisational fields unfold in established GVCs is another valuable area for future research. Diffusion models seem very limited and not sufficient to grasp these multi-scalar processes. New practices, instead of diffusing through a field, are spatially and socially shaped by institutional dynamics. Profound insights into these processes and mechanisms may help to unlock the potential of the hybrid organisations of the Global South and their contribution to social innovation and the encouraging of field formation.

6. Hybrid Organisations embedded in Resource-Poor Contexts: Linking Organisational Capabilities and Individual Capabilities — A Slippery Ground?

Insights from Impact Sourcing Service Providers in Kenya

Abstract

The chapter contributes to research on hybrid organisations in the digital labour field that are engaged in capacity building for marginalised individuals. Specifically, the organisations provide their beneficiaries with skills that enable them to work in the formal labour market. Using a qualitative research design, impact sourcing service providers and their beneficiaries, are studied. Data triangulation was conducted for in-depth analysis and robustness. Empirical findings illuminate two distinct pathways: “*standardised*” and “*individualised*” adopted by hybrid organisations. The different pathways are connected strongly with the development of beneficiary capabilities. Hybrid organisations practising the “*individualised*” pathway impart technical knowledge and, depending on individual needs, relevant social skills. For organisations committed to the “*standardised*” pathway, the focus is on the technical skills of their beneficiaries. The results underscore the difficulties of developing organisational capabilities for financial sustainability, especially among the “*individualised*” cohort. Continuous experimentation, resilience, and learning are key to enhancing the capabilities of hybrid organisations, as the study demonstrates.

Keywords - Global South, hybrid organisations, beneficiary and organisational capabilities

6.1 Introduction

Decent work, inequality, and poverty reduction are interrelated sustainable development goals (SDGs), particularly in developing countries with high youth population lacking access to higher education and the formal labour market to develop its capabilities (World Bank, 2017). Statistics from ILO (2020) paint a grim picture of youth unemployment. In 2020, 22.4% of youth globally were neither employed nor in education (ILO, 2020). This is much more pronounced in resource-poor regions (Bramann, 2017) such as sub-Saharan Africa that face significant constraints in upgrading into globally competitive capabilities (Manning, 2020). Kenya is a good example of a country struggling with high youth unemployment (*Ibid.*).

In particular, 39% of Kenyan youth in 2020 were unemployed and at risk of socio-economic exclusion and inequality (Daily Nation, 2020; Business Daily, 2020; UNDP, 2020). Unemployment leads to deprivation, leaving its victims without not only income but also freedom in their lives (Mlatsheni & Leibbrandt, 2011). Yet the majority of disadvantaged youth have no opportunity to develop their individual capabilities, even though it is a human right (Sen, 1997; 1999).

Many are caught in a negative feedback loop, and without training and skills, they have a limited chance of being hired by established for-profit firms and entering the formal labour market, which is pushing them further into poverty. Due to the increasing connectivity and digitalisation of the economy, governments, non-governmental organisations and the private sector see significant development potential in digital labour particularly in the outsourcing of business processes (BPO) (Heeks, 2009; Avgerou, 2010; Oprins and Beerepoot, 2018; Graham, 2019; Wood *et al.*, 2019).

Scholarly evidence points in the direction that governments such as Kenya regard the BPO industry as a mass employment opportunity (Manning, 2022), as digital work with its virtual possibilities opens up new spaces for innovative business models working relatively

independent from location and time constraints. So-called hybrid organisations¹³ have emerged recently, capitalising with their new business models on the hope of digital labour by offering jobs to marginalised populations.

These alternative economic forms, operating under multiple institutional logics, are characterised by the dual mission they pursue in their business models (Doherty *et al.*, 2014; Grove and Berg, 2014; Fueglistaller *et al.*, 2016; Saebi *et al.*, 2019). In the last decade, a hybrid organisational field has emerged termed as impact sourcing service providers (ISSPs). These hybrid organisations try to anchor their business models in the global BPO industry. The social mission is to promote the integration of disadvantaged youth into the labour market by building information and communication technology (ICT) skills. Simultaneously, they are striving for the organisation's financial sustainability in the established competitive global BPO industry.

However, little is known about the social impacts of hybrid organisations that provide marginalised individuals with digital work in the field of impact sourcing (Carmel *et al.*, 2016). The aim of the study is to contribute to filling this gap by exploring questions related to:

- 1) How hybrid organisations as alternative economic forms contribute to developing individual capabilities of their beneficiaries through the social mission?
- 2) How they build organisational capabilities to remain financially sustainable in the tension between social and economic value creation?

Using a qualitative research design, ISSPs and their beneficiaries in Kenya are studied to grasp these organisations' efforts to build individual capabilities and simultaneously become and remain successful in the market (The Monitor Group & The Rockefeller Foundation, 2011; Carmel, *et al.*, 2016).

The chapter makes a conceptual and empirical contribution by bringing together two separately developed literature strands with theoretical concepts on distinct ontological

¹³ Consistent with other scholars, this study uses the terms "*hybrid organisations*" and "*hybrids*" interchangeably to refer to organisations that combine social and economic logics at their core (Battilana & Lee, 2014; Vallaster *et al.*, 2019).

levels: the organisational and the individual capabilities approach. The study explores how their complementarities may contribute to grasp individual and organisational capability building simultaneously.

The study aims to advance a more profound understanding of the relationship between the organisational capabilities of hybrids and the development of the capabilities of their beneficiaries in resource-poor contexts of the Global South. Empirically the results illuminate two distinct approaches taken by hybrid organisations in developing the capabilities of their beneficiaries. This, as a result, leads to the variation in the beneficiary capabilities, showing that the job security anchored in the time period of the so-called “*fixed-term contracts*”¹⁴ contrasted with “*project-based contracts*”¹⁵, alongside longer-term training commitment and professional development, led to more pronounced beneficiary capabilities.

The chapter is structured as follows: The next section provides insights into the scientific debate on building individual capabilities in resource-poor contexts by combining theoretical perspectives from Sen's approach to individual capabilities with the concept of dynamic organisational capabilities and the economic geography approach of place-based institutional environments. The third section presents the methodology, and the empirical results are described in sections four and five. Addedly, an outline for further research is sketched. The chapter concludes by arguing that sustainable skills development lays the foundation for disadvantaged youth to build capabilities and improve their quality of life. Furthermore, the central role of organisational learning, continuous experimentation and resilience in enhancing dynamic capabilities of hybrid organisations is highlighted.

¹⁴ A “*fixed-term employment contract*” is understood as a contractual agreement that is valid for a term of four to five years to enable the beneficiary pursue higher education.

¹⁵ A “*project-based employment contract*”, also referred to as a “*piece-rate contract*”, is a contractual agreement that is valid within the time frame in which the project that the beneficiary is involved is running. Specifically, this type of contract emphasises that beneficiaries are not entitled to any benefits other than payments for the successfully completed micro-tasks.

6.2 The Missing Link of Individual Capability Building and Hybrid Organisations in Resource- Poor Contexts

Designed by the Noble Laureate Amartya Sen in the context of poverty in developing countries, the capability approach has meanwhile evolved into an essential general, multi-disciplinary analytical framework that underpins the work of the United Nations Development Programme in creating the Human Development Index (Sen, 2000; 2004; Stewart & Deneulin, 2002; Robeyns, 2005). The approach serves to represent and measure individual and societal welfare. The focus is on an individual's ability to live a life he or she values. Dissatisfied with using primary goods and utilities as appropriate "*spaces*" for evaluative purposes, Sen recommended capabilities as objects of value in their place (Sen, 1999). Capabilities are defined as "*the substantive freedoms to choose a life one has reason to value*" (Sen, 1999, p. 74).

The focus shifted to individuals' available opportunities and freedom to make choices they value to achieve well-being (Robertson & Egdell, 2018). In addition, much weight is given to the importance of autonomy, multiple influences on a person's well-being, freedom of choice, and diversity and differences among people (Egdell & McQuaid, 2016). Thus, the capability approach is valued to be an evaluative framework that provides in-depth insights into the person's well-being. In contrast to focusing on a person's affluence and material possessions, focusing on capabilities provides rich data for understanding individual development and the opportunities that make it possible for them to achieve a valued life. In particular, capabilities have proven to be useful in pointing out what is important in achieving human well-being.

In the capability approach, human well-being characterised by what people do or are is key. Examples include the ability to meet one's nutritional needs, to be well sheltered and clothed, to move about, to be healthy, to be educated, to live a disease-free life, to have self-respect, to participate in the social life of the community and the freedom of general communication - Sen describes these as "*functionings*" (Sen, 1999, p. 75). Freedom, also referred to as opportunities or "*capabilities*" (Sen, 1999, p. 75), is considered one of the most fundamental aspects of human life.

“A person's "capability" refers to the alternative combinations of functionings that are feasible for her to achieve. Capability is thus a kind of freedom: the substantive freedom to achieve alternative functioning combinations (.... the freedom to achieve various lifestyles)” (Sen, 1999, p. 75). Most importantly, Sen's approach contributes to a deeper understanding of an individual's well-being and quality of life. The approach not only provides a set of indicators and a theoretical framework for empirically assessing human well-being but also resonates with many SDGs, such as decent work, gender equality, or reducing inequalities.

Despite its considerable contribution to understanding human well-being, Sen's approach with the ontological focus on the *individuum* underestimates the role of social structures and the relationship between individual capabilities and social structures, groups and institutional contexts (Ibrahim, 2020). Consequently, the approach has attracted increasing criticism for not taking into consideration capabilities that are developed by social and group interaction (Ballet, *et al.*, 2007). Scholars underscore that institutional structures, societal arrangements and groups are central to empowering individuals with the ability to develop the substantive freedom to choose valued lifestyles. Thus, the discourse on building individual capabilities is incomplete without an exploration of the opportunities that social structures provide for capability development.

Recent attention has shifted to collective capabilities based on extensive empirical evidence that collective agency and social interaction play a substantial role in generating capabilities that are unachievable by single individuals (Evans, 2002; Ballet, *et al.*, 2007). In this regard, disadvantaged people and the youth in particular, have mostly not the chance to get access to education or enter the labour market due to lack of opportunities to develop their skills in resource-poor contexts. Insofar they cannot develop their individual capabilities. Due to this missing link the study takes into account the collective capabilities of hybrid organisations aiming to contribute to social and economic value building simultaneously.

6.2.1 Dynamic Capabilities of Hybrid Organisations embedded in Resource-Poor Contexts of the Global South

This section argues that place-based challenges are exceptionally high for alternative economic forms such as hybrid organisations when operating in resource-poor and fast-changing environments. Many countries and regions in the Global South are characterised by less stable environments, weak formal institutions, institutional voids and limited markets (Hansen *et al.*, 2018). Moreover, they are facing a high degree of social inequalities, enduring poverty and the scarcity of resource endowment (Bramann, 2017).

The tensions hybrids face from pursuing conflicting institutional logics — the social and the economic — are widely acknowledged in the scholarly debate on social enterprises (Billis, 2010; Haigh & Hoffman, 2012; Pache and Santos, 2013; Smith *et al.*, 2013; Battilana and Lee, 2014; Doherty *et al.*, 2014; Kannothea *et al.*, 2018; Smith and Besharov, 2019). These tensions often lead hybrid organisations over time to shift to one logic, either the economic or the social logic (Battilana & Lee, 2014). Until today there are only limited research insights into how hybrid organisations build capabilities enabling them to fulfil the dual-mission in a sustainable manner. Consequently, the capabilities permitting hybrids to effectively address the tensions are highlighted as an area for further research (Smith *et al.*, 2013). This is especially the case for hybrid organisations in resource-poor contexts of the Global South (Littlewood *et al.*, 2020; Ciambotti & Pedrini, 2019).

The dynamic capability approach in organisational studies and strategic management theory was developed to investigate organisations' competence and capability building in fast-changing and competitive environments. However, the focus is primarily on capabilities that support successful economic outcomes of for-profit organisations (Teece *et al.*, 1997; Winter, 2003; Zahra *et al.*, 2006; Peteraf, *et al.*, 2013; Arndt & Pierce, 2018). This study transfers the dynamic capabilities approach to hybrid organisations in resource-poor environments of the Global South, Kenya as an example. Precisely, the rationale behind is that the dynamic capability approach builds a heuristic to investigate the crucial capabilities of hybrid organisations in resource-poor, volatile and highly dynamic contexts. As studies on hybrids embedded in the Global South are still scarce (Bignotti & Myres,

2022), the objective is to identify differences and commonalities of this type of organisations in their capability building. Moreover, the study aims to gain insights into how hybrid organisations address specific capabilities in such contexts to fulfil the social mission while being financially sustainable.

The analysis of capabilities supporting sustainability has gained some traction only recently (Wu *et al.*, 2012; Smith *et al.*, 2013; Surmeier, 2020). The research on dynamic capabilities is a contested field, as a uniform understanding or approach has not emerged over the years. Nonetheless, the approach has proven to be a useful multidisciplinary analytical framework (Eisenhardt and Martin, 2000; Helfat and Raubitschek, 2000; Zahra *et al.* 2006; Nieves and Haller, 2014). Organisational capabilities relate to coordination, combination and development of individual-level competence and capability within and outside the organisation (Nooteboom, 2010: 31-32). An organisation's capability is to employ context-specific competencies and select possible actions appropriately.

Central to their understanding is the recognition that capabilities emerge through learning and experiences within the organisation in a path-dependent way, through the embeddedness in their specific context and shaped by institutional frameworks (Eisenhardt and Martin, 2000; Zollo and Winter, 2002, Strambach and Halkier, 2013). Out of these path-dependent learning processes, they develop routines, the basic components of organisational behaviour (Nelson & Winter, 1982; 2002). Understood as recurring structure patterns of collective activity within organisations, routines support the exploitation and scaling of already developed competencies and underlie the repositories of organisational capabilities (Becker *et al.*, 2005).

However, the stabilising function of routines, due to their collective and processual nature (Becker, 2004), often leads to lock-in effects and slow adaption to environmental changes. The dynamic capability approach connects to this disadvantage of routines. Distinctly, it focuses on organisations' competencies to shift away from the stable patterns of collective activity for recurring actions made from the past's repertoire and learning processes. In an organisation's overall capability portfolio, there is an essential distinction between operating and dynamic capabilities (Becker 2004; Winter, 2003; Helfat and Winter, 2011).

The key factor of dynamic capabilities is, as Nootboom (2010: 173) points out, the capabilities to develop or change capabilities. It implies the systematic generation and modification of the operational routines in pursuit of improved effectiveness (Zollo and Winter, 2002: 340). Adapting existing capabilities through recombination and developing new operational capabilities is considered an essential collective capability in highly dynamic and rapidly changing environments (Nootboom, 2010; Teece, 2018). Although, a universally accepted set of dynamic capabilities has not been established so far (Helfat & Winter, 2011; Zahra *et al.*, 2006, Surmeier 2020), some main essential common dimensions are pronounced following the scholarly debates.

Recently, studies applying the dynamic capabilities approach to sustainability-oriented organisations, as social enterprises in the Global South have appeared (Tashman and Marano, 2009; Ramachandran, 2011; Borland *et al.*, 2016; Strauss *et al.*, 2017; Corner and Kearins, 2018; Vallaster, *et al.*, 2019). Comparing the insights of the case studies is difficult as they mostly refer to different terminologies of dynamic organisational capabilities. Moreover, they are located in various developing countries with distinct differences in their institutional framework conditions. The case studies rather highlight the dynamic capabilities observed to be idiosyncratic to the studied organisations.

From this background, the focus in the empirical analysis of hybrid organisations in Kenya is on the more or less established dimensions of dynamic capabilities. Based on the development of a measurable model of dynamic capabilities, Pavlou and El Sawy (2011) identify —sensing the environment, learning, coordinating, and integrating— as a set of capabilities that help reconfigure existing operational capabilities into new ones that better match the environment. As learning processes are an essential basis for sourcing and absorbing knowledge, the study takes into account various forms of learning and sticks to learning by communicating, learning by collaborating and creativity and experiential learning (Nootboom, 2010).

6.3 Methodology

A qualitative research design was used for an in-depth analysis of the hybrid organisational field of ISSPs and its beneficiaries (Stake, 1995; Flick, 2009). This approach is credited with the ability to explore complex phenomena and the interdependence of various determinants about which little is known and/or for which new understanding is needed (Strauss and Corbin, 1998). The focus was on the Global South that, in spite of persistent sustainable development challenges, is seen as an important hub for impact sourcing (Manning, 2022). Specifically, in this study, ISSPs as an emerging hybrid organisational field in Kenya is a good example to analyse the context-specific development trajectories.

Kenya a lower –middle– income country, is a late comer economy to the BPO industry compared to Asian countries and South Africa. The Kenyan capital, Nairobi is gaining stature as a thriving ITES start-up ecosystem, contributing an estimated 250,000 jobs and 8% of GDP in 2020 (*Ibid.*). A mixed-method approach was applied. Precisely, a wide variety of evidence sources as document and media analysis, participant observation and interviews were adopted to increase the study's robustness.

Theoretical sampling strategies were used, with the criteria being: members of the Global Impact Sourcing Coalition, ISSP managers and beneficiaries, policymakers, private sector actors and university professors involved in BPO research. More than 50 documents (approximately 2,500 pages) were accessed, including previous studies, reports, government programs, websites, and articles on corporate social responsibility, business models and market trends. In addition, 42 semi-structured interviews were conducted in Nairobi, each lasting between 60 and 90 minutes (997 minutes in total) (Table 3).

For interviewees' selection, the aim was to grasp workers' perceived livelihood changes as well as practices and strategies of hybrid organisations. The interviews were conducted in the respective offices of the interviewees. In terms of demographic characteristics, the interviewed workers were aged between 17 and 25 years old, employed for an average of three years, and were accessed for employment through community-based organisations (CBOs), universities, social media, and digital labour platforms.

During the interviews, workers were asked questions such as

- 1) How has employment changed your life?
- 2) What opportunities have you gained through employment?
- 3) What are the working conditions like at your workplace?
- 4) What skills have you acquired in the course of your employment?
- 5) What challenges do you face in the workplace?

In addition, managers of hybrid organisations were asked,

- 1) What is the goal of your organisation?
- 2) How do you reach your target employment group?
- 3) How do you measure the impact of your social mission?
- 4) What constraints and tensions do you face?
- 5) How does the organisation ensure that it is able to balance the achievement of its social and economic objectives?

Interviewees' specific narratives were recorded and transcribed, and extensive notes taken to avoid information loss and ensure results' transparency. The findings were analysed anonymously. Data analysis followed content analysis methodology, using deductively and inductively developed categories to identify passages relevant to the analysis (Mayring, 2014). Transcripts were examined using deductive theory-driven coding, supplemented by inductive coding.

Using MAXQDA software, the results were coded and categorised to identify dimensions of beneficiary capabilities and organisational capabilities. Communicative validation was then conducted to obtain feedback from interview participants (Flick, 2007). The examined organisations had existed for an average of 18 years. Notably, they varied widely in size, services offered, clients served and location (Appendix 3).

6.3.1 The Methodology to Capture the Social Impacts of Individual Capability Development

Social impact is a relevant performance-related dependent variable in social entrepreneurship (Rawhouser *et al.*, 2019). In recent years, the capturing and assessing of social impacts is gaining in importance. However, compared to the measurement of economic values, it is still at an early stage. This section outlines the methodology used in the study to capture the social impacts of hybrid organisations that hire disadvantaged youth to develop their skills. In the literature, social impact is conceptualised using terms such as "*social accounting*," "*social performance*," "*social value*," "*social return on investment*," and "*social returns*," which are similar but distinct constructs. Decidedly, the study follows Rawhouser *et al.*, (2019) in using the term "*social impact*" for consistency.

Until today, a unified method for determining social impacts is lacking. There are different methods for measuring social impacts and, as a result, limited shared understanding of how to measure them. The recognition that impact is both positive and negative effect of entrepreneurial activity within its social environment is central in social entrepreneurship (van Schooten *et al.*, 2003; Jäger, 2010; Repp, 2013).

As an abstract concept, social impact is used in various ways in research and practice (Repp, 2013; UNDP, 2021). At the macro societal level, impact is associated with results that target the root causes of a social problem, as emphasised by scholars (Crutchfield and Grant, 2008). In studies at the meso organisational level, the focus shifts to the specific and measurable role of the organisation in influencing a social result that requires counterfactual evaluation (Jones, 2009). While at the micro, personal level, attention is focused on significant or lasting changes in a person's life brought about by a specific action or series of actions (Roche, 1999).

Recently, attention has shifted to the impact value chain, a central model in measuring social impact in social entrepreneurship taking into account the different ontological levels and the time dimension. The impact value chain is a useful analytical lens for understanding how social value is generated along a logical impact sequence that connects micro-level inputs, activities, outputs, and outcomes to broader macro-level societal impacts (Clark *et*

al., 2004; Repp, 2013; Ebrahim and Rangan, 2014). In order to grasp impacts, it must be considered that their generation comes from the outputs of the activities and the resulting outcomes.

For the purposes of this contribution, outputs are defined as the immediate consequences of a hybrid organisation's activities, outcomes as the medium- and long-term results, and finally impacts as the fundamental changes at the social root of the problem, in accord with recent studies (Ebrahim and Rangan, 2014). Outcomes and impacts show lasting changes in the life of the individual and at the level of the community or society, respectively (*ibid.*).

Against this background, the focus is on understanding the social outcomes, particularly for disadvantaged youth targeted for employment and skills development by ISSPs. This is because it is difficult to measure impacts given that they occur much later at the communal and societal levels. The dimensions of Sen's capability approach were used as a baseline: access to education, financial independence, self-confidence, social networks, community engagement, and equal opportunities for women (Sen, 1997; 1999; 2004; Robeyns, 2003; Alkire, 2005; Carmel *et al.*, 2016) (Table 4).

Table 4. Dimensions and Indicators of Individual Capabilities

| Dimension | Indicators |
|--------------------------------------|--|
| <i>Education</i> | ICT skills Social skills University education |
| <i>Financial independence</i> | Entry to the formal labour market Earning an income Starting a business Ability to afford decent housing Social security Stable employment Ability to acquire assets Ability to afford health insurance Access to physical and mental health care Ability to use clean energy sources Ability to meet one's own needs Ability to meet family needs Saving and investing income |
| <i>Self-confidence</i> | Self-esteem and self-respect Work experience Believing in one's own abilities Personal and professional development Sense of control |
| <i>Social networks</i> | Belonging to an alumni association Learning from colleagues <i>Camaraderie</i> at the workplace Sense of belonging and emotional well-being Social integration and relationships at work |
| <i>Community engagement</i> | Sense of giving back to society Donations Volunteering Involvement in civic organisations |
| <i>Equal opportunities for women</i> | Access to employment Ability to achieve higher social status Having a "voice" in the family, community or society |

Source: Sen, 1997; 1999; 2004 ; Robeyns, 2003 ; Alkire, 2005 ; Carmel *et al.*, 2016

6.4 Development of Capabilities among disadvantaged Kenyan Youth — Perceived Changes

To understand the capabilities achieved by disadvantaged youth hired, by impact sourcing service providers, the outcomes of employment and skills development were examined. As a benchmark, the dimensions of Sen's capability approach were used. As indicated in the preceding section, they include access to education, equal opportunities for women, financial independence, social networks, self-confidence, and community engagement. Since social impacts tend to occur much later in time, the focus was on capturing social outcomes.

Empirical results showed that most of the respondents were positive about the development of their capabilities, albeit to varying degrees (Appendix 5). For instance, as far as the capability for financial independence was concerned, the majority of the respondents were positive about their ability to earn an income. In particular, they pointed out that as a result of their employment they were able to provide basic needs, decent housing, and health care to their families. For example, one respondent underlined:

“When it comes to finances. You know, when we all come together as a family, we bring the food we have and each one brings something. At least, it makes things go easier.... So, with my salary at least I can help in my family. I can do some shopping and in instances where maybe someone gets sick, all the things like that, I can say that the salary we get here helps a lot.” (Interviews 2019, DDF4)

When asked about social networks, a majority of the respondents indicated that they were able to build strong bonds among their fellow beneficiaries as they had similar backgrounds. Consequently, they benefited from a sense of belonging and peer-to-peer learning. Moreover, some reported belonging to alumni associations. In terms of access to education, there was a wide range of skills reported by the respondents, ranging from those enrolled in universities, to those who had acquired ICT skills, to those who had acquired a combination of social and technical skills.

In addition, most respondents reported increased self-confidence, especially improved self-esteem. As an example, one respondent explained, *"I believe that in the next two years I will be someone who can talk to a client and convince them to do a project with us"* (Interviews 2019, DDF1). Notably, most of the female respondents interviewed were positive about the capability to have their *"voices"* heard in their families and communities. As an illustration, one of them explained:

You know, for a lady,, when you get your own thing [a job] to do it is really an achievement. And here, [name of the ISSP], it makes sure you feel, you have something, you have a voice. Like I have a job, like I can say "I have job" and it's nice. And I have people to talk to. So, I would say like, in Kenya, women come to work at [name of the ISSP], it's a plus. (Interviews 2019, AdeF)

Contrastingly, in line with insights from digital labour studies (Graham *et al.*, 2017; Wood *et al.*, 2019), some respondents pointed out a number of hindrances to their capability development, including precarious employment, inadequate pay, lack of social security, long working hours and the inability to attain a work and life balance (Table 5).

These results tended to vary between disadvantaged youth hired under the so-called *"fixed-term contracts"* lasting over a time period of some years and those hired under *"project-based contracts"* applicable to specific projects. Most of the latter reported insecure employment and missing social protection. As an example, one of the respondents elaborated: *"it happens to be a very unreliable place to work in. Any slight hitch as dozing off in a delivery centre, you receive an email in the evening being told your contract has been terminated"* (Interviews 2019, SamF). Also, they indicated being underpaid, with one of them explaining:

"We are paid peanuts despite the majority being degree holders and raking in billions for the company in profits... We work at a rate of US\$1.45 per hour for 40 hours a week...About a month ago, some workers got their salaries slashed by as much as US \$ 60, when they protested, they were all fired" (Interviews 2019, CF1).

Thus, the empirical results underline the contradictory perceptions of some respondents with regard to their capability development. In the next section, the focus will be on exploring the reasons underpinning this observed phenomenon. For this purpose, the

social mission and related practices of hybrid organisations will be examined. The objective is to gain a deeper understanding of how different practices of the organisations are related to outcomes on developing the capabilities of the disadvantaged youth.

Table 5. Hindrances Experienced by Disadvantaged Young People in Developing their Capabilities

| Codes | Verbatim | Interpretation |
|----------------------------|---|---|
| <i>Nature of work</i> | <i>“What we do on a daily basis which is very repetitive work that is very tedious. It’s not the most exciting work to do, that’s the truth.”</i> (Interviews 2019, CF1). | The work performed by the young people appeared to be low-skilled and therefore did not provide them with the opportunity to develop advanced skills. |
| <i>Working environment</i> | <i>“We’re quite a number and you get, there are only four, five toilets at the work, at the production floor. [...], right now, [...] the toilets on my floor are leaking [...]. So, you can find [...] all the toilets are closed. So, you have to waste your time, come back, look for a toilet, by the time you are going you have wasted around 30 minutes, you need to meet your targets.”</i> (Interviews 2019, AdeF2). | The workplace did not meet the requirements for a safe work environment, particularly with regard to the adequacy of the sanitation facilities. |
| <i>Work- life balance</i> | <i>“The only problem I usually faced while working at night shift was sleep. [...] I won’t sleep during the day, it’s hard for me to sleep during the day. It’s very difficult. So, you might find like I work the whole night, so when I come back during the day, I don’t sleep during the entire day. And at night I am supposed to go to work again.”</i> (Interviews 2019, SamM). | Some respondents were faced with the challenge of not having enough rest and not being able to achieve a good work-life balance, especially in the case of having to work and study at the same time. |
| <i>Job insecurity</i> | <i>“The platform of working and going to school, at first it was a challenge. It was a bit hard for me”</i> (Interviews 2019, DDF7) <i>“It happens to be a very unreliable place to work in. Any slight hitch as dozing off in a delivery centre, you receive an email in the evening being told your contract has been terminated”</i> (Interviews 2019, DapF1). | Some interviewees experienced precarious working conditions without job security, which manifested in spontaneous redundancies. |
| <i>Work compensation</i> | <i>“We are paid peanuts despite the majority being degree holders and raking in billions for the company in profits... We work at a rate of US\$1.45 per hour for 40 hours a week...About a month ago, some workers got their salaries slashed by as much as US \$ 60, when they protested, they were all fired”</i> (Interviews 2019, CF1). | Respondents expressed concern about being underpaid and being denied the opportunity to protest for better compensation. |

Source: based on own data

6.5 Practices used by Hybrid Organisations to develop the Skills of Disadvantaged Kenyan Youth

In this section, the contribution that hybrid organisations' practices make to beneficiaries' perceived capabilities are explored in more detail. This is accomplished in two steps, the first focusing on the comparison among organisations and the second on their grouping based on shared characteristics. To this end, the dimensions of impact sourcing are used as a benchmark. In the empirical study, impact sourcing is defined as an *inclusive employment practice in which companies hire disadvantaged high school graduates who are long-term unemployed, and live below the national poverty line, and offer them job training, develop their capabilities and create opportunities for higher education* (BSR & The Rockefeller Foundation, 2017; Gallagher, 2019; Interview 2019, RF). Thus, impact sourcing gives much weight to the employment and skills development of disadvantaged young people.

The focus of this section is on hybrid organisations' implementation of the social mission based on the following criteria: Target group, recruitment processes, type of contracts and benefits, and duration and focus of training, as dimensions for comparison (Appendix 6). The empirical results showed that the practices for developing the skills of beneficiaries varied to a higher degree. For example, as far as employment was concerned, there were huge variations among organisations: some hired young people with disabilities and those with high school qualifications, others hired college and university students, and still, others hired graduates.

Differences in hybrid organisations' practices were also noted in terms of the recruitment criteria: while in some organisations the origin of applicants in rural or informal settlements and the inability to afford higher education were used as criteria, other organisations required applicants to own a computer, have ICT skills and work experience. Likewise, contracts varied, with some hiring on "*project-based contracts*", another group on "*fixed-term contracts*" valid for a specified time period. Equally, benefits differed, with some

organisations paying only wages, while others offered in addition health insurance, mentoring, and free meals.

The variation also applied to the training duration. For instance, there was a range from four years to a month and in a few cases a week of training. The training focus varied similarly, with some organisations training mainly ICT skills, others social skills, and a few offered a program that comprised of mentoring, management skills, peer support and university education (Table 6).

In the second step, the cases were grouped and analysed based on the above defined comparison dimensions and the respective verbatim. On the basis of grouping case comparisons, it became apparent that the diversity of practices adopted by hybrid organisations was ascribed to their respective skills development strategies. These tended to revolve around two main and distinct empirically-grounded typology of what the study terms "*individualised*" and "*standardised*" approaches. This was shown in the type of employment contracts and associated benefits as well as the focus and duration of the training that each organisation implemented in developing the skills of its beneficiaries.

While employment contracts tended to be either *project-based* or *fixed-term*, the duration of the training appeared to be either short-term or more directed to the long-term. The shorter the duration of the training, the more likely that the organisation had adopted the *standardised* approach, and *vice versa*. Organisations that implemented the *standardised* approach were found to hire beneficiaries on the basis of *project-based contracts*. For these organisations, the focus of the training was on imparting specialised technical ICT skills to enable them to perform their tasks.

In comparison, organisations that pursued an *individualised* approach were found to hire beneficiaries on *fixed term contracts* over a longer period of time, guaranteeing them job security in this duration. The training duration for these organisations tended to span the period and comprised of various techniques such as hands-on experience, peer support, coaching and mentoring. In particular, much weight was given to enabling the beneficiaries to attain higher education and develop communication, management and leadership skills, thus helping them to advance career-wise.

As an illustration, one of the respondents from such an organisation explained:

“At [name of the ISSP] we have that platform where they really understand. One, we have academic leaves [study leave]. Two, we also have access to some of the funds we need for our education. As much as we come from backgrounds where we do not have that money. So, when we come here, remember they pay our salaries and they take us to school [university] as well. They also give us the time when we need time to go to do assignments and we need to go write examinations....” (Interviews 2019, DDM2)

Another one added:

“If there is maybe in school [university], you have a subject or a unit that you are not performing well, then we have the social impact team. They will call you and ask you why you are not performing in this, how can they help you? what can they (...) and help you improve.” (Interviews 2019, DDDF1)

Significantly, the study revealed a relationship between the practices used by the organisations and the type of capabilities achieved by the beneficiaries. Therefore, distinct practices were found to contribute to different capabilities. As a result, this leads to the observed variation in the capabilities achieved by the beneficiaries, showing that the security anchored in *fixed-term contracts* over a specified time span and not only on the *project basis*, alongside long-term training commitment and professional development, led to more pronounced capabilities among the beneficiaries, and *vice versa*.

In the following section, the two empirically based types of hybrid organisations will be elaborated. The aim is to understand the strategies used by these organisations to cope with the tension related to creating simultaneous social and economic value, while remaining competitive in the global BPO industry.

Table 6. Social-Mission Practices Used by Hybrid Organisations to develop the Skills of their Beneficiaries

| Hybrids | Target Group | Recruitment process | Training | Employment | Benefits | Acquired Beneficiaries' Skills | Hybrid Category |
|---------------|---|---------------------|--|--|--|---|-----------------------|
| ISSP 1 | -Socio-economic hardship -High school graduates-qualified for university. -Persons with disabilities -Informal settlements Age: 18-24 | Home visits & CBOs | 6 month- technical & social skills. 4-5 years university education | -Fixed-term contracts -Experience not required -Employs all beneficiaries | -Work-study (scholarships, educational loans & study- leave) -Mentorship -Health Insurance -Free meals -Wages -Alumni | -University degree. - Digital content & training data, AI & Machine Learning algorithms - Cloud computing & field research. | <i>Individualised</i> |
| ISSP 2 | -High school graduates - Informal settlements - Persons with disabilities Age: 18-24 | CBOs | 9-month- technical, social skills & reproductive health. -Girls' specific training | -Experience not required -Fixed-term contracts -Employs approx. 10% of beneficiaries. | -Mentorship -Wages -Alumni | -Digital design & development. -Communication & Entrepreneurship. | <i>Individualised</i> |
| ISSP 3 | - High school graduates -Informal settlements | Home visits & CBOs | 3-month- technical & social skills (computer bus). -Successful trainees are enrolled for further 6 months. | -Experience not required -Fixed-term contracts -Employs approx. 10% of beneficiaries. | -Wages -Mentorship | -Basic ICT -Software development -Entrepreneurship & communication. | <i>Individualised</i> |
| ISSP 4 | -No clearly defined target group -Informal settlements Age: 20-25 | Online | 1- month - technical & social skills. - Beneficiaries per month: 8-10 youth | - Qualifications & experience required. - Project-based contracts -Employs approx. 10% of beneficiaries. | -Mentorship -Wages | Call centre, transcription, data entry & editing. | <i>Standardised</i> |
| ISSP 5 | -No clearly defined target group -2 nd year university students. | Online | 10 day- task-specific | - Hiring only during high season. - Project-based contracts - Qualifications & experience required. | -Wages -Mentorship | Call centre, data entry, image tagging, annotation & transcription. | <i>Standardised</i> |
| ISSP 6 | -No clearly defined target group -Informal settlements Age: 18-28 | Online | 10 day- task-specific | -Qualifications & experience required. -Project-based contracts -Employs approx. 5% of beneficiaries. | -Wages | Image tagging & annotation, data entry & basic machine learning. | <i>Standardised</i> |
| ISSP 7 | -No clearly defined target group -Informal settlements | Online | 10 day- task-specific | -Qualifications & experience required. -Project-based contracts | -Wages | Data entry, content verification, moderation, document digitization & call centre. | <i>Standardised</i> |
| ISSP 8 | -No clearly defined target group (cloud workers) -University & college graduates | Online | 5-day task-specific | -Qualifications & experience required. -Project-based contracts | -Wages | Labelling & tagging images, transcribing & data entry. | <i>Standardised</i> |

Source: based on own data

6.6 Managing the Duality of Institutional Logics in Hybrid Organisations — Customer Versus Beneficiary Orientation

Hybrid organisations are continuously confronted with interminable external and internal tensions resulting from the combination of conflicting and often divergent institutional logics (Smith *et al.*, 2013; Battilana & Lee, 2014). For sustaining hybridity, management of such tensions is key. Hence, to understand hybrid organisations, it is essential to gain insights into tensions and how to address them (Smith *et al.*, 2013).

In the Kenyan context, hybrid organisations were found to employ capabilities highlighted in previous studies, including optimising synergies among processes, coordinating, and integrating new knowledge into novel routines (Pavlou & El Sawy, 2011; Surmeier, 2020). In addition to these capabilities, the study underscores the competencies that Kenyan hybrid organisations used to manage tensions, as pointed out in the following section.

The empirical results revealed the elasticity with which the organisations integrated their social and economic logics. This was evident in the organisations' effort to sensing and serving the needs of clients *vis-a-vis* to developing the skills of beneficiaries. The more the effort of the organisation dedicated to the needs of clients, the more the attention focused on the economic logic, and *vice versa*. Organisations that gave much emphasis to the economic logic devoted more effort to seeking market intelligence on clients' needs. As an illustration, one of the respondents from such an organisation elaborated:

"...We always keep trying to do certain things slightly differently. We are slightly ahead of what the market wants ... So, we keep looking at ... what's happening and what we can do better" (Interviews 2019, ISSP 2 HR)

These organisations were found to adopt ICT-supported routines characterised by scaling models of online work platforms (Table 8). For these organisations, the rapid expansion of business operations globally was given much weight.

As an example, one respondent underlined:

We're definitely a, triple bottom line company, meaning that money is important. We talk a lot about no margin, no mission, ... Meaning that if, we're not a non-profit company We're a for-profit entity registered in the UK with subsidiaries in Nepal, Kenya and the U.S.A... We believe that if we don't take some of that money, and we do not earn money from our clients, unless we [are] going to become a foundation or take money from foundations. We don't have money to invest in all that stuff [social mission] that I just talked about, So that's where, ... you start to get into this really foggy area of social enterprise. What is a social enterprise? How do you make money and do good, ...? And these are day-in and day-out issues or questions that we try to tackle every day (Interviews 2019, ISSP 7 OD).

In contrast, organisations that emphasised the social logic committed much more effort to identifying, recruiting, and developing the skills of their beneficiaries. The empirical findings show that these organisations flexibly adapted their routines as a result of continuous experimentation and learning. For instance, one of the respondents from such an organisation clarified:

"We try, and we've tried a few things and changed a few things over time because you learn every time..... So initially when we started, we have worked with NGOs who were mostly based in the slums, like Shofco is one of our biggest partners..... And we also worked with the government..... That was at the initial bit of it and we stopped out of a bad experience..... This just took us to NGOs..... These are institutions that work within these particular informal settlements we target. In their daily activities they interact with the communities. So, if they say [name of a person], he is deserving, most likely it's a true case" (Interview 2019, ISSP 1 CSR).

Most important for these organisations was the creation of synergies between social and business goals. They achieved this by finding partners and clients that aligned with their social mission. In addition, the organisations gave a lot of weight to embedding their operations in the local context. This was accomplished by networking with community-based organisations to learn about the needs of the community. To reflect the importance attached to the social mission, the focus of such organisations was on the long-term training of their beneficiaries. This was intended to enable them to enter the formal labour

market and advance professionally. In particular, the organisations were found to provide their beneficiaries with technical ICT know-how and — depending on individual needs — relevant social skills.

In line with this, it was underlined by one of the respondents:

“We are looking at how we could innovate this space with superior skills. And that’s why when I talk about cloud computing services, these are kind of unique skills in this part of the market which have not been exploited before. We are looking at it as an opportunity because when we train people [beneficiaries] towards this area then we will have some kind of superior skills that we can be able to sell in the market... [In addition] we also help them like when they go through the school programme [university education] and when they graduate. That professional certification [Bachelor degree] is so important in terms of helping them to get to the next level.” (Interviews 2019, SIM, I1).

In sum, it became apparent that the organisations that engaged in long-term training and network development in their local contexts, tended to foster much more pronounced capabilities among their beneficiaries (Table 7). Comparing these organisations with those that focused much attention to the needs of clients, emphasises the empirically grounded typology of organisations — *the “customer-oriented”* and — *“the beneficiary-oriented hybrids”* as a result of the study. Thus, underscored by the elasticity in the combination of the logics — the social and the economic — hybrid organisations gave the orientation towards beneficiaries and clients, different weights in their business practices (Table 8).

“Customer-oriented hybrids” characterised by the *“standardised”* approach were found to be able to achieve financial sustainability. This was anchored in a scaling business model that enabled them to grow exponentially. Given that the domestic market for BPO services in Kenya was underdeveloped, sensing the needs of clients in the Global North was key to the financial sustainability of the organisations. Contrastingly, *“beneficiary-oriented hybrids”* practicing the *“individualised”* approach were confronted with financial difficulties and loss of competencies. Nonetheless, their contribution to individual capacity building was much more pronounced in the dynamic set of organisational capabilities.

As an example, one respondent from such an organisation reflected:

"... It has been pain and excitement mixed together. So, initially when like [name of the beneficiary] graduates... our programme expects that when you graduate from school [university], then we also get you gone to some other jobs of your interests, outside [leaving the organisation]. It is by default that you move on to something else. After five years, the most experienced people you have, they can tackle any other thing. So, it means that we have to train new people to play into their roles. But sometimes it is really, really painful when you have to let the best, the really, really best go". (Interviews 2019, ISSP 4 HRM).

The loss of competencies appeared to threaten the competitiveness of *"beneficiary-oriented hybrids"* as well as their ability to strategically reconfigure resources for the future. Remarkably, organisational capabilities seem to be related to each other. Specifically, the development of sensing capabilities for clients appears to be as important as that for beneficiaries. This appears to be a *sine qua non* condition for simultaneous social and economic value creation, as the study shows.

Table 7. Data Structure for Beneficiary - Oriented and Customer - Oriented Hybrid Organisations

| Codes | Verbatim | Interpretation | Category |
|----------------------------------|---|---|-----------------------------|
| Accessing beneficiaries | <i>"Our need is going to the community and connecting with them [beneficiaries] from the grassroot. Of course, there are a lot of organisations in Kenya that are targeting young people, but their approach is not from the grassroot. But for [name of the ISSP] we work from the grassroots moving upwards. So, we work with community-based organisations that are working within the informal settlements" (Interviews 2019, ISSP 1 CSR).</i> | -Embeddedness of the organisation in the local context. | Beneficiary-Oriented |
| Sensing customer needs | <i>"... We believe the future of work will be Cloud labour.... The same way that you buy Amazon Web Services you can buy labour ... And it's also going to allow us to get mostly out of facilities So, we are at about a 20 million dollar a year margin..... A lot of the cash that we're making now goes into our technology path because technology is a core competence..." (Interviews 2019, ISSP 2 HR). "I think we always keep trying to do certain things slightly differently. We are slightly ahead of what the market wants ... So, we keep looking at what's happening and what we can do better" (Interviews 2019, ISSP 7 HR)</i> | -ICT-driven operational model (the business model is supported by technological processes) -The organisation lays a lot of emphasis on sensing customers' demands and taps latest technological advancements to meet them. - Much weight is given to sensing market intelligence and seizing opportunities to remain competitive in the market. | Customer-Oriented |
| Organisational structures | <i>"We try, and we've tried a few things and changed a few things over time because you learn every time..... So initially when we started, we have worked with NGOs who were mostly based in the slums, like Shofco is one of our biggest partners..... And we also worked with the government..... That was at the initial bit of it and we stopped out of a bad experience..... This just took us to NGOs..... These are institutions that work within these particular informal settlements we target. In their daily activities they interact with the communities. So, if they say [name of a person], he is deserving, most likely it's a true case" (Interview 2019, ISSP 1 CSR).</i> | -Working with CBOs to access and check the suitability of the beneficiaries -Much weight is given to sensing the right beneficiaries who will enable the organisation meet its social mission. | Beneficiary-Oriented |
| Social impact measurement | <i>"...We do a background check and we actually do home visits. We just validate the information given by a job candidate [beneficiary] ... So, you just tell me, I live in Mathare, area 4 [one of the slums in Nairobi]. Ok, so we just pop in [appear unannounced] and say, hi Sam, I am at the stage [bus station], could you come collect me. You must really be smart to change a residential place within ten minutes and get me convinced that you just did not change it. That's what we do to just validate and just ensure, everything is correct." (Interviews 2019, ISSP 1 OD)</i> | -The organisation has processes to verify the eligibility of beneficiaries through home visits. -Comprehensive social impact measurement (visiting the home of their beneficiaries to carry out structured observation, get and document first-hand details of their lives). -Information gathered from such surveys is vital for feedback as well as continuous improvement. | Beneficiary-Oriented |
| Organisational growth | <i>"We have 5,000 contractors globally. So, in hopefully in a year that will be 10,000, hopefully in two years that will be 20,000 or 25,000. We're probably taking on additional capital investment that allow us to scale into other countries and other regions and new platforms being released" (Interviews 2019, ISSP 7 OD)</i> | -The organisation operates under a scaling business model with a focus on rapid expansion | Customer-Oriented |
| Amount of work delivered | <i>"How do we do that? Well, we know how to deliver 10,000 hours for a client, how do we deliver 70,000?" (Interviews 2019, ISSP 2 HR).</i> | - Responding to customer demand that exceeds the capacity of the beneficiaries | Customer-Oriented |
| Pilot projects | <i>"Before we accept to do a project X, we have even actually also tried to pilot it. So, just do a dummy kind of work and see how this would play along. And order the technical things around it. What kind of tools do you need? If they have some mission [?] involved or anything. And that kind of things. Of course, we have a kind of guide, but it's not fixed. So, if a client has a specific requirement that all the others have never had before, but it's something that is durable, we adjust a bit and try" (Interview 2019, ISSP 1 CSR)</i> | -The organisation uses pilot projects to show its customers that it is able to perform satisfactory work while fulfilling its social mission by hiring disadvantaged youth (beneficiaries). In addition, pilot projects are key to gaining the trust and support of customers. - Flexible organisational structures that are constantly adjusted to meet social and business objectives. | Beneficiary-Oriented |

Source: based on own data

Table 8. Comparing Customer-Oriented and Beneficiary-Oriented Hybrid Organisations

| Dimensions | Customer-oriented | Beneficiary-oriented |
|---|--|--|
| <i>Location</i> | - Up market locations. | - Located in close proximity to informal settlements. |
| <i>Combination of social & economic logic</i> | <ul style="list-style-type: none"> - Decoupled business and social mission. The social mission is embedded in the “<i>Foundation</i>”. - No mention of social mission in external communication or websites. - Focus on client services. The information on customer services is the first piece of information on the website. | <ul style="list-style-type: none"> - Integrated social mission and business goals. - External communication, including marketing and websites, focus on the social mission. - Synergies between business goals and social mission. The social mission is the first piece of information on the website. |
| <i>Hybrid structures</i> | - Stable and rigid processes and structures. | - Flexible structures and processes constantly improved by feedback mechanisms. |
| <i>Rate of Growth</i> | - Leveraging on ICT-supported routines for a rapid expansion strategy. | - Adopting a growth rate taking into account the skills of the beneficiaries. |
| <i>Beneficiaries</i> | - Focus on ICT proficiency as well as professional experience. | - Hiring exclusively disadvantaged youth from informal settlements as well as rural areas. |
| <i>Access to beneficiaries</i> | - Online recruitment process, thus limiting beneficiaries to those with ICT skills and computer access. | - Combination of home visits, and working closely with CBOs. |
| <i>Partnerships</i> | - Developing strategic networks for access to global markets. | <ul style="list-style-type: none"> - Seeking partners and clients sharing the social mission. - Embeddedness in the local context through network building with CBOs. |

Source: based on own data

6.7 Chapter Discussion and Conclusion

In relation to the research question of how hybrid organisations contribute to building capabilities of their beneficiaries, the empirical results showed a correlation between different empirically based typologies — "*standardised*" and "*individualised*" — for skills development and the capabilities perceived by the beneficiaries. Thus, the capabilities achieved by beneficiaries varied to a greater extent and tended to be context-dependent. In the ICT4D literature, scholars underline that ICT can help achieve socio-economic development in the Global South (Heeks, 2009; Avgerou, 2010; Graham, 2019). There is growing interest in a new type of digital work that can be done from anywhere, regardless of space. This type of work has the potential to provide opportunities for disadvantaged people to earn an income and even transform their livelihoods (Carmel *et al.*, 2016; Graham *et al.*, 2017; Oprins and Beerepoot, 2018). For these people, the findings provide empirical evidence that any remunerated work can enable them to cater for their needs.

However, the study demonstrated that work by itself is not sufficient to develop capabilities. Notably, the risks associated with employment that offers low-end micro-tasks are high. This can result in beneficiaries not having the opportunity to develop professionally. In order to develop capabilities, a deliberate pathway should be taken into account within employment contracts. In any case, if the work that beneficiaries take, does not provide opportunities for learning, it will do the least to develop capabilities. Therefore, in light of the magnitude of youth unemployment, the study reveals that short-term solutions are inadequate to drive any meaningful change. Impediments to employment are shaped by pre-existing norms and policies that determine the dynamism of the labour market. The results reinforce the value of a deeper emphasis on extensive training when addressing the issue of youth unemployment.

In line with insights from previous studies (Heeks & Arun, 2010; Malik *et al.*, 2013; Lacity *et al.*, 2014; Madon & Sharanappa, 2013; Madon & Ranjini, 2016; Oprins & Beerepoot, 2018), the results provide empirical evidence that investing in building the skills of disadvantaged youth has a multiplier effect. Beyond helping them meet their needs, develop careers, and build self-esteem, it enables them to be engaged in their communities. Thus, making a

difference in their own lives and those of their families and communities. Also, since the knowledge they acquire is transferable, they contribute to business success in the organisations in which they work, and, as a result, to the local economy. Thus, the study underlines the significance of giving disadvantaged people the capability to tackle their local problems.

Consistent with the findings of Graham *et al.*, (2017) and Wood *et al.*, (2019) on independent contractors, the study provides evidence of instances where decent work practices were missing. This points out the necessity of creating governance systems to guide the further development of the hybrid organisational field. For instance, the establishment of voluntary standards in the impact-sourcing ecosystem could be essential for harmonising working conditions across the field. Notwithstanding the beneficiary capabilities identified in this study, the long-term effect of impact sourcing on sustainable livelihoods is still unknown.

With respect to the research question on how hybrid organisations develop organisational capabilities for concurrent social and commercial value creation, the study identified normative networks and continuous experimentation as key to knowledge sharing and thus to the success of hybrid organisations. Moreover, in line with insights from the cognitive theory, the empirical findings provide evidence that organisational learning plays a central role in developing capabilities central to the success of hybrid organisations (Nooteboom, 2010). The specialised knowledge contribution of learning competency was necessary in realigning the organisations' operational practices and safeguarding dual missions, consistent with Smith and Besharov's (2019) findings on structured flexibility.

Nevertheless, commitment to the social mission exposes hybrid organisations to double externalities, as the empirical findings show. Fostering system-level change through social innovation is the *raison d'être* for such organisations; yet, its achievement is contingent on financial sustainability. This is a key challenge in resource-poor contexts with mostly underdeveloped domestic markets and missing supportive policy environment. From this background, the study underlines the significance of government policy and its necessary support for hybrid organisations. Also, social impact investment aimed at bolstering social impact is crucial. The empirical findings indicate the promising potential of hybrid

organisations through alternative business models to address unmet social needs in their local contexts. Even so, an open question remains whether hybrid organisations should implement a scaling model or stay anchored in their local context as they manoeuvre through the slippery ground to deliver simultaneous social and commercial success.

6.7.1 Chapter Conclusion

To date, there is a scarcity of evidence on how hybrid organisations can contribute to capability development among their beneficiaries. Also characterised by limited empirical insights is the question of how hybrid organisations in the Global South can develop organisational capabilities to fulfil the social mission while being financially sustainable. The study provides both an empirical and conceptual contribution to filling this research gap using impact sourcing service providers in Kenya. As the study is based on a single case study, its scope is limited. Nevertheless, it provides novel understandings. At the same time, future research directions can be derived, related to the dynamic set of organisational capabilities as well as beneficiary capability development.

Further research is needed through longitudinal studies to examine the long-term impact of impact-sourcing on sustainable livelihoods. Likewise, a promising avenue for future studies would be, to investigate the long-term effects on the local community; as a result of hybrid organisations' embeddedness in local contexts. Also, it will be interesting for future research to look more closely the differences between the empirically-grounded typologies of — *“individualised”* and *“standardised”* — for skills development.

V Overall Conclusions of the Study

7 Study's Conclusions

The last decades have been characterised by an increasing decoupling of economic growth and sustainable development. Particularly, this is much-more pronounced in resource-poor contexts such as those in the Global South; marked by intensified competition in natural resource utilisation, increased climate change impacts, and intractable challenges of never-ending poverty (Littlewood *et al.*, 2022). Hence, there is a growing requirement for social innovation and sustainability transitions as a response to sustainability concerns.

Aiming to redefine the societal role of corporations, alternative economic forms are gaining stature. Hybrid organisations, combining multiple institutional logics, are characterised by the common objective of solving primarily socio- ecological problems and concurrently trying to achieve financial sustainability. Compared to conventional organisations, hybrid organisations tend to be mission-driven and focused on addressing societal challenges. They seem to have a considerable potential to support social value creation with their business models.

So far, research has shown that these organisations appear to emerge in diverse forms in different regional contexts. Nevertheless, the emergence and unfolding of hybrid organisational fields in different spatial contexts, especially in the spaces of the Global South is not well understood. As such, this study's core focus was to explore the micro-level institutional dynamics and field configuring processes of hybrid organisations from an evolutionary and institutional perspective using the case study of the hybrid organisational field of impact sourcing service providers in Kenya. In addition, the study examined how hybrid organisations of the Global South embedded in global value chains (GVCs) can contribute to social innovation in their local environments. Likewise, attention was paid to how such organisations catalyse the development of their beneficiaries' capabilities while trying to remain financially sustainable.

Impact sourcing service providers pursue a social mission to promote the integration of disadvantaged youth into the labour market through training and skills development. Concurrently, they strive for financial sustainability. The study offers in-depth insights into

multi-scalar processes and complex institutional dynamics involved in the emergence and formation of hybrid organisational fields in the Global South. Also, it enhances an understanding of the social impacts of hybrid organisations that result from their embeddedness in GVCs.

From the micro-level analysis, the study adds to a more nuanced understanding of hybrid organisations by demonstrating that hybrid organisations, even when operating in the same sector, are never a homogeneous group with identical organisational processes and approaches to social mission implementation. This is in contrast to existing theory, as it has not vividly shown the different strategic types of hybrid organisations. While the tension between economic and social logics is widely discussed, the various strategies for combining or compromising the two logics are not acknowledged in detail. Since ISSPs in the Kenyan context were still in the semi-institutionalisation phase, it was found that the organisations lacked a standardised organisational blueprint. Consequently, they employed a wide range of inputs, practices, and activities, resulting in varying impacts on beneficiaries, as evidenced in the results. To capture this heterogeneity, the study developed an empirically grounded typology for hybrid organisations, showing that the combination of economic and social logics within ISSPs was perpetual.

Also, the organisational heterogeneity was reflected in the strategies for multiplying social impact, with the results providing empirical evidence for the scaling-up and local embedding strategies. As an illustration, for achieving the social mission, the financial success of hybrid organisations is an essential means. To attain a balance between the dual goals, ISSPs faced the dilemma of either remaining locally embedded to increase their social impact or scaling up their activities and attracting global funding. Still, a clearer picture of the hybrid organisational heterogeneity is, however, necessary for theory development. Thus, further empirical work, comparing and contrasting the heterogeneity identified in the current study with that in other sectors, is key.

At the same time, contrasted with mission shift (Smith *et al.*, 2013; Jay, 2013; Battilana & Lee, 2014), the study offers new empirical insights into the interpretative plasticity with which hybrid organisations implemented the dual logics. This observation offers a nuanced view of hybrid organisations' behaviour when confronted with hybridity tensions, as the

organisations were found to vary the weight they gave to both social and economic logics without a complete shift.

Moreover, consistent with previous studies (Rivera-Santos *et al.*, 2015; The World Bank, 2017) the study illuminates how the institutional environment within which hybrid organisations are embedded can either hinder or foster their survivability. Specifically, the empirical findings underscore the context-specific difficulties that hybrid organisations faced related to lack of legal status, limited funding opportunities, poor internet connectivity, high infrastructure costs and underdeveloped domestic markets. Addedly, the organisations were confronted with missing government training subsidy for professional development of their beneficiaries. As a consequence, it was extremely challenging for them to navigate the double burden and fulfil the social mission, as the study shows. In such a scenario, government policy interventions are urgently needed to create a supportive institutional environment conducive to the success of hybrid organisations.

At the same time, the study underlines the distinctive nature of the evolution of hybrid organisations in resource-poor contexts. Remarkably, the emergence of hybrid organisations in such contexts was characterised by the participation of a wide range of actors and their different institutional work practices. In such a scenario, government policy actors have the vital political legitimacy to create the necessary level playing field and link the diverse institutional work practices of the various actors involved in the evolutionary processes. Specifically, in the pre-institutionalisation evolutionary phase, the active participation of the government actors is essential to jumpstart alternative economic forms through the requisite institutional work that establishes the much-needed foundation. Equally important for hybrid organisations is the development of strategic partnerships and knowledge networks that are an essential means to knowledge co-production and resource mobilisation. In the next section, in-depth discussion of the study's conclusions is provided.

The section is structured in the following way:

First, a summary of the main findings will be outlined. Next, attention will shift to the limitations of the study. This is followed by shedding light on the generalisability of the empirical findings. Thereafter, future avenues for empirical research will be discussed. The

recommendations for practice and policy will form part of the conclusion. Remarkably, the study recommends that policy actors build up a favourable institutional environment with the necessary context-specific interventions that support alternative economic forms such as hybrid organisations with considerable potential for social and sustainability innovation.

7.1 Main Findings

7.1.1 Evolution of the Hybrid Organisational field of Impact Sourcing Service Providers in the Kenyan Business Process Outsourcing Industry

The study underlies the gradual manner in which the evolution of the hybrid organisational field of ISSPs in Kenya took place. In particular, two distinct phases: pre-institutionalisation and semi-institutionalisation, characterised by a high diverse constellation of actors, were observed. At the pre-institutionalisation phase, institutional work was dominated by policy makers. Specifically, government actors were found to have taken a leading role in fostering institutional changes.

Through its mission-driven policy framework, the government actively sought to reconfigure the institutional environment, through policies, subsidies and infrastructure development, so as to enable the private sector to thrive in the BPO industry. These institutional changes played a substantial role in directing the pathway through which the country's development discourse later unfolded. These findings underline the centrality of mission-driven policy initiatives in fostering institutional changes and, at the same time, offering the impetus for niche economic sectors to emerge and augment the country's economic structure.

Remarkably, the government's role was instrumental in jumpstarting the domestic BPO industry. But then came the difficulties of linking domestic firms to global markets due to the missing geographical proximity and symbolic knowledge (Asheim *et al.*, 2011, p. 897;

Strambach, 2017). This was further compounded by the inability to capture Global North market intelligence and dynamics in real-time. Nevertheless, the government's institutional changes created the groundwork for the private sector's entry into the BPO industry with the goal of advancing sustainability through the impact sourcing practice.

In particular, the Rockefeller Foundation, alongside other knowledge intensive service organisations, assuming the responsibility of an institutional entrepreneur, played a crucial role in enabling ISSPs gain access to international scientific knowledge networks, expertise and investment funding. This is consistent with the insights from the geography of innovation on knowledge intensive intermediaries and their role in initiating institutional dynamics (Strambach & Surmeier, 2018, p. 370). Therefore, empirical findings underscore the key link between institutional entrepreneurship and sustainability innovation in the Global South, underlining the significance of value-driven actors in fostering sustainability.

At this phase, a wide range of institutional work practices, including theorising, legitimacy and normative network creation, were mainly undertaken by the private sector. The Rockefeller Foundation's entry into the BPO ecosystem was especially vital because it helped integrate various forms of knowledge, which was crucial to fostering institutional changes. As an illustration, the foundation brought in scientific know-how that it had acquired through research and close collaboration with knowledge-intensive service providers operating globally. Also, it contributed symbolic knowledge about global markets, that was as a result of its networks with global BPO firms. These types of knowledge were then contextualised into the Kenyan institutional environment, through working with local and global actors, resulting in the emergence of impact sourcing.

The most remarkable stimuli that catalysed institutional change leading to sustainability transformation, as the study shows, point to the creation of the Global Impact Sourcing Coalition (GISC) and its role in collective sense-making and maintaining the legitimacy of impact sourcing. From the empirical findings' perspective, the first key step in this process was the establishment of necessary partnerships at the local level with all relevant actors such as government, civil society, nongovernmental, and private sector organisations in the embryonic stages of impact sourcing's evolution. Over time, the foundation appeared to extend partnerships to the global level by developing the GISC that captured local-global

actor groups and, by extension, the underlying knowledge processes. Of most significance in this multi-scalar network was the composition of the actors, who seemed to have diverse and competing institutional logic backgrounds, ranging from social welfare to private shareholder returns to public resource management. This was found to play a significant role in legitimising impact sourcing by fostering collective acceptance and gaining the support of the various actors.

In the semi-institutionalisation phase, institutional work, such as advocacy and educating, seemed to be conducted primarily by the GISC. The success of normative networks linking multiple actors from different institutional logics such as that of the GISC depends more on mutual trust and the “*neutrality*” of the institutional entrepreneur, as the study found. Therefore, at this stage, the Rockefeller Foundation appeared to be stepping back in advancing impact sourcing and passing the baton to the GISC to signify its status as a “*neutral facilitator*.” This is important primarily to avoid conflicts of interest and help to maintain the legitimacy of impact sourcing as well as seamless decision-making regarding its further evolution.

7.1.2 The Contribution of Impact Sourcing Service Providers embedded in Global Value Chains to Social Innovation in their Local Environments

Insights into how hybrid organisations can contribute to social innovation in countries of the Global South, with a large number of societal challenges, are limited. The study sought to fill this gap by investigating how ISSPs embedded in GVCs, can contribute to social innovation in their local environment. Empirical findings at the micro level of ISSPs show that hybrid organisations from the Global South that are successfully integrated into GVCs are able to create shared social and economic value concurrently.

Notably, these organisations were found to have considerable potential to contribute to social innovation by providing innovative solutions to existent context-specific needs. In particular, they were able to respond to identified societal needs in their local environments with alternative business models to achieve social impact, as the study

shows. This highlights the context- embedded qualities of social innovation (Moulaert *et al.*, 2013). Compared to corporate social responsibility practices, ISSPs with their long-term commitment and orientation to the social mission, of addressing youth unemployment, created organisational processes and structures with a broader perspective. This was essential in contributing to social outcomes on an ongoing basis, as the empirical findings demonstrate.

Concomitantly, the study offers empirical insights into how hybrid organisations, through their partnerships with community-based organisations (CBOs), benefit from the reciprocity of learning. Hybrid organisations, as a result, are able to identify and respond to local societal challenges through innovative solutions. For hybrid organisations to accomplish their goals and foster social innovation, CBOs and their symbolic knowledge of local needs was key, as the research points out. This is consistent with empirical work within the geography of innovation studies (Asheim, 2007; Gertler, 2008; Martin & Moodysson, 2013; Strambach, 2017) underlining the context-specific symbolic knowledge and its role in steering micro-dynamics that propel social innovation.

As well, in line with prior studies (Maseno & Wanyoike, 2022) hybrid organisations, through partnerships with CBOs, were able to recognise societal needs, norms and values and most importantly, the beneficiaries of their social mission. The findings offer empirical evidence of the central catalytic role played by CBOs in stimulating social innovation in the Global South. Beyond CBOs, ISSPs were found to be embedded in a wide network of collaborations that enabled them to gain legitimacy and resources for their social mission. Thus, the results point in the direction that social innovation could not take place in an isolated manner. Rather, this kind of innovation seems to emerge through iterative bargaining processes characterised by discursivity. In this study, for example, this was the result of hybrid organisations working closely in networks of different actor constellations and, as a result, benefiting from incremental and cumulative learning processes.

Moreover, the results indicated that ISSPs needed to gain acceptance and support for their new and innovative social practices among incumbents, both in the local institutional environment and in GVCs, in order to contribute to social innovation. In the process, the organisations appeared to seek congruence with their institutional environment.

Specifically, they were characterised by the flexibility with which they combined the dual logics without completely shifting to either of them, as a means of seeking legitimacy among incumbents.

By dynamically exploring the interpretative plasticity of their institutional environment, the study provides empirical evidence that ISSPs flexibly adapted to rapidly changing needs, among their clients and beneficiaries. This occurred through combining operational practices of both business and social goals to varying degrees. As such, the findings stand in contrast to the mainstream perspective of prior studies that emphasise mission drift in addressing hybridity tensions (Pache & Santos, 2010; Ebrahim 2014).

7.1.3 The Impact of Hybrid Organisations on Beneficiary Capability Building

This section aims to understand how hybrid organisations can develop creative solutions to address sustainability challenges related to youth unemployment and especially among disadvantaged populations. Specifically, it discusses the research question: *how can hybrid organisations, as alternative economic forms, contribute to the development of beneficiaries' capabilities?* In the ICT4D discourse, there is growing scholarly interest in digital work with its virtual opportunities and the resulting development impacts, especially in the outsourcing of business processes to developing countries (Heeks, 2009; Avgerou, 2010). In addition, policymakers in these countries see outsourcing of such services as an opportunity for employment creation for their population (Ndemo & Weiss, 2017; Manning, 2020). Accordingly, the study provides empirical evidence that employment is a crucial step in developing the capabilities of disadvantaged youth. Nevertheless, it alone was found to be insufficient for skills development. For employment to have a significant impact on workers, it must be accompanied by learning opportunities and skills transfer.

In addition, capability development appeared to be context-dependent, as the study shows. Specifically, it was an outcome of a wide variety of organisational actions, ranging from skills development to coaching and mentoring. Thus, the development of beneficiary capabilities was buttressed in a multi-pronged approach. In particular, targeted training

and mentoring programs portend to increase the likelihood for beneficiaries to attain freedoms to choose their valued lives. Simultaneously, the study underscores the central role of training on social skills in enhancing beneficiaries' capabilities. Given that social skills are transferable, they make it possible for disadvantaged individuals to advance career-wise in the labour market.

The social mission of addressing youth unemployment was at the core of the hybrid organisational field of impact sourcing service providers. Nonetheless, there was a wide variety of practices to implement the social mission, with varying impacts on beneficiaries' capabilities. From this background, the study underlines the need to create governance systems and structures to harmonise organisational practices and monitor the compliance of impact sourcing, among hybrid organisations, through voluntary sustainability standards. In particular, the development of standards in the impact sourcing practice could be essential in social impact measurement as well as in streamlining surveys on beneficiaries' capabilities.

7.1.4 Organisational Capabilities of Hybrid Organisations embedded in Resource-Poor Contexts of the Global South – Insights from Kenya

The study sought to gain a deeper understanding of the processes underpinning organisational capability development among hybrid organisations operating in resource-poor contexts. In particular, the focus was on answering the research question related to *“how hybrid organisations build organisational capabilities to remain financially sustainable in the tension between social and economic value creation?”* The study findings provide empirical evidence that the organisational capabilities tended to be idiosyncratic to the respective organisations. Nonetheless, a commonality was found among the organisations in terms of flexible adaptation and realignment of structures and routines. As such, a majority of the organisations appeared to be characterised by adaptive systems and processes.

In addition, the study findings attributed the success of hybrid organisations in developing capabilities to constant reshaping through continuous experimentation and co-learning among themselves. This was particularly possible as a result of their membership in the global normative networks, as exemplified in the GISC. Specifically, the organisations shared their professional experiences and on-the-job learning to support each other's ability to build resilience to hybridity tensions, the study shows. These results point out the crucial role played by learning competency in fostering hybrid organisations' ability to source and absorb knowledge as well as use it to remodel their processes. Notably, learning played an essential role in revising processes to improve the ability to deliver on the dual goals. The specialised knowledge contribution of learning competency was necessary in realigning operational practices and safeguarding the dual mission from drifting, consistent with previous studies (Smith *et al.*, 2013; Doherty *et al.*, 2014; Smith & Besharov, 2019).

Moreover, important to hybrid organisations, was the creation of synergies between social and business goals through seeking employees, investors, partners and customers who shared similar values, norms and objectives as the organisations themselves. This was particularly important in aligning stakeholders' expectations with the social values of hybrid organisations and hence increasing acceptance and support of their social mission. At the same time, through realignment of the diverse stakeholder expectations, the hybrid identity of the organisations was reinforced and hence protected from tensions that were likely to inhibit its smooth operations. As well, the management of hybrid organisations was found to give a lot of weight to embedding the organisations within the local institutional contexts. This was specifically important in enabling the organisations benefit from community support, knowledge on local values as well as on practices that were already successful in meeting local needs. Also, essential for hybrid organisations was the building of networks with community-based organisations (CBOs). The organisations were particularly active in the local context within which hybrids were embedded and thus had an in-depth repertoire of expertise to sense local needs as well as increase the impact of the social mission.

In addition, consistent with previous studies (Littlewood *et al.*, 2022), the study found that embedding hybrid organisations in normative networks played an essential role in achieving social values, maintaining legitimacy among the incumbents, and by extension

helped in accessing financial, knowledge and human resources. In sum, collaboration with strategic partners and constant *“trial and error”* were essential for knowledge acquisition as well building the resilience of hybrid organisations.

7.2 Limitations of the Dissertation

As the study is based on a single case study of the hybrid organisational field of ISSPs, its scope maybe limited. Notwithstanding, the in-depth nature of the research design combined with the use of exploratory qualitative methods was instrumental in understanding the institutional dynamics involved in the evolution and unfolding of the hybrid organisational fields in the Global South. As a result, the study was able to point out future research avenues related to such organisational fields in GVC research. From the perspective of measuring the contribution of hybrid organisations to social innovation in their local environments, it should be noted that social impacts that occur over a much long period of time at the community and societal levels could not be captured in this study. Therefore, when interpreting the empirical results, the time frame of the study should be taken into account.

Additionally, given that the study focused on one hybrid organisational field within a specific sector in a distinct geographical context, the results' representativeness may be contested. However, the findings should be interpreted within the context of the study's aim that focused on achieving a theoretical generalisation of the results. This was addressed through data triangulation using structured participant observation, semi-structured interviews and document analysis to gain in-depth and detailed empirical insights into the complex phenomena, of the hybrid organisational field, from different perspectives.

Another limitation of the study lies in the data collection process especially in answering the question: *“how has the organisational field of Impact Sourcing Service Providers emerged and unfolded in the Kenyan Business Process Outsourcing industry?”* In the process of answering the question, respondents were more likely to recall much more

recent actions, activities and events as contrasted to those that happened in the earlier phases of the evolutionary processes. In managing this kind of limitation, the study was particularly keen in tracing back the sequences of events, actions and activities that led to the most recent events and changes in institutions during the entire evolutionary process.

Concurrently, focusing on the Kenyan empirical context, the study's findings may also face limitations on their generalisability. The choice of Kenya was intentional to represent resource-scarce contexts of the Global South that have witnessed the emergence of hybrid organisational fields in recent times. Notwithstanding, there is a need for further research to contrast and compare the emergence and unfolding of similar hybrid organisational fields across diverse Global South contexts. This is essential in acquiring in-depth insights that are important for theory building. Also, empirical studies could be directed towards gaining a deeper understanding of the organisational capabilities of hybrid organisations embedded in such resource-poor contexts. This will play a key role in filling research gaps related to the inadequacy of empirical studies investigating capabilities of organisations operating under conditions depicted with scarcity of financing opportunities, policy support and undeveloped domestic markets.

Another limitation relates to the constraints on access to data. In particular, in answering the question: *“how do hybrid organisations build organisational capabilities to remain financially sustainable in the tension between social and economic value creation?”*, the study had to rely wholly on qualitative data. This was particularly because getting quantitative data, such as the financial statements of the hybrid organisations, was very difficult. This scenario points out the empirical potential of analysing large data-sets of quantitative methods, across Global South countries, to secure in-depth perspectives, as well as to compare data from the Global South with those obtained in other geographical places.

7.3 Generalisation of the Results

From the perspective of the Global South, this study offers novel insights, both theoretical and empirical, into the emerging hybrid organisational fields and sustainability transformations in resource-poor contexts. Notably, the study sheds light on the contribution that research using data from the Global South makes to the broader scholarly work on the emergence and unfolding of hybrid organisational fields including social businesses and social enterprises (Littlewood *et al.*, 2022). The empirical insights derived from Kenyan ISSPs can be generalisable to the varieties of hybrid organisations in resource-poor contexts, majority of which have received minimal attention in hybrid organisational research.

In particular, micro- dynamics underlying institutional change are crucial in the early processes of institutionalisation in the emerging organisational fields. Also, complex learning processes play a substantial role in supporting institutional building in a multi-scalar way. Specifically, the working together of a multifarious actor-network, involving global, national and local actors, carrying out diverse institutional work practices is central in laying the foundation for new organisational fields to unfold. Against this background, collective agency and global knowledge networks are key in encouraging the emergence of new organisational fields. This is mainly important in fostering knowledge exchange as well as acquisition of requisite resources. Also, it is important in gaining the necessary support, acceptance and legitimacy needed for new fields to evolve.

Simultaneously, the vital role of global intermediaries and their specialised knowledge bases in experimenting and developing business models for alternative economic forms, is apparent in this study. In essence, the specialised knowledge contributions of a whole network of knowledge-intensive service organisations, and their involvement at different points in time, was necessary in encouraging field formation.

By investigating the micro-dynamics underlying the emergence and unfolding of the organisational field of ISSPs in Kenya, the gained insights on the multi-scalarity of the field configuring processes, may be transferable to the literature on neo-institutional

organisation theory in general. In particular, the findings offer in-depth understanding of the processes underlying the initial phases of the organisational field's evolution from an institutional and evolutionary perspective. Nevertheless, further comparative empirical evidence is required to provide a comprehensive understanding. This is specifically the case, as far as hybrid organisational fields in different economic and geographical contexts of the Global South are concerned.

Significantly, the dissertation makes a substantial contribution into the growing research field of hybrid organisations and their input to social innovation in the Global South. In concrete terms, the study revealed the considerable potential of hybrid organisations embedded in GVCs to contribute to social innovation in their local environments. Through their dual mission, hybrid organisations are found to be characterised with deliberate and long-term routines and processes that ensure that they make a continuous input into social impacts.

Most importantly, the study underscored the key link between the embedding of hybrid organisations of the Global South into GVCs and their financial sustainability. This was the case because domestic markets seemed to be limited. Notably, GVC embeddedness was found to enable hybrid organisations to access financing, knowledge as well as markets for their business models. As such, it was central for the realisation of concurrent financial and social values as highlighted in prior studies (Phillips *et al.*, 2015; Spieth *et al.*, 2018). Beyond GVC integration, the development of domestic markets is important as it contributes to market diversification, protecting hybrid organisations from external market shocks and guaranteeing them a constant market for their services.

At the same time, the study offers interesting inputs into the burgeoning ICT4D debate. By keeping the capability approach as well as the ICT4D approach in close touch, there is an enhanced understanding of human welfare when evaluating the impact of the ICT4D projects. The study's findings shift the discussion beyond economic and material gains towards the freedoms that beneficiaries attain to lead their valued lives. These findings are important in underlining the indicators to look for when measuring the social impacts of ICT4D projects. Specifically, these results are generalisable within the social impact

measurement paradigm that insofar remains generally non-unified (Rawhouser *et al.*, 2019).

In addition, by employing the capability approach, the study's findings raise a critical voice inasmuch as low-skilled freelance digital jobs are concerned. The findings revealed that through these jobs' singular focus on scalability, minimal attention was given to skills transfer among beneficiaries. In such a scenario, the ICT4D discourse could benefit from paying increased attention towards diversification into higher-skilled digital jobs that enable Global South countries to enter and remain competitive in GVCs.

7.4 Implications for Policy Makers and Practitioners

Based on the empirical findings, the study outlines a number of implications for both policymakers and practitioners. Specifically, the implications are structured as follows: First, the focus is on the implications intended to support the further institutionalisation of the hybrid organisational field. Thereafter implications directed at the ICT4D projects and in their efforts to develop the capabilities of disadvantaged youth will be highlighted. The study revealed that the hybrid organisational field has considerable potential to contribute to social innovation in its local context. Nevertheless, challenges related to funding opportunities, knowledge sharing, market development and lack of suitable legal forms were found to inhibit the field's further institutionalisation.

From this background, an appropriate government policy will be crucial in creating a conducive institutional environment. Accordingly, the study recommends the creation of a social innovation policy that provides the necessary support for hybrid organisations, including an appropriate legal form. Likewise, such kind of a policy through reconfiguring public procurement strategies, to include a quota system requiring the government to source a particular percentage of its services from social enterprises, will play an important role in developing markets for hybrid organisations.

In designing a social innovation policy, government actors will need to work closely with practitioners to co-identify the needs and, thereafter, co-develop the most effective strategies for the context-specific needs of Kenyan hybrid organisations. For example, a proactive social innovation policy should encourage collaboration among enablers of social innovation (Littlewood *et al.*, 2022) including public and private-sector actors, international organisations, research institutes, universities and social innovation incubators. This is specifically crucial in fostering experimentation, knowledge generation and support for hybrid organisations. Moreover, the results indicate that hybrid organisations need to be embedded in normative networks in their local institutional environment to take advantage of knowledge networks, share expertise and mobilise collective resources in order to create social value. Such a normative network will also be useful in promoting collective sense-making as well as bringing the “voice” of the Kenyan hybrid organisations into the further institutionalisation process of the organisational field of impact sourcing service providers at the global level. This underscores the crucial role that a social innovation policy can play in fostering interorganisational collaboration among hybrid organisations to achieve the social mission.

From the empirical findings’ perspective, it is discernible that funding opportunities are important for the sustainability of hybrid organisations. In this respect, public funds specifically earmarked for social enterprises as well as subsidies, concessions, and incentives are essential. Also, the study makes clear the crucial role that funding opportunities designed specifically to deliver social value, such as social innovation and impact investments, can play in resource-scarce contexts. For example, financing innovations such as financial capital designed specifically for social enterprises will help fill funding gaps faced by hybrid organisations. Furthermore, as the empirical findings demonstrate, there is a need to create sustainability standards to streamline the behaviour and practices of hybrid organisations. These standards will play an essential role in creating a shared understanding of the values and appropriateness of new social practices.

Back to the ICT4D discourse, the findings at the micro level of the ISSPs have demonstrated that long-term investment in training the social and technical skills of beneficiaries is key for career development, teamwork and interpersonal workplace relationships. In particular, as shown by the empirical findings, training should not be limited to ICT technical

skills, rather social skills need to be integrated into the training program to better prepare beneficiaries for the formal labour market, increase their likelihood for capability building and thus improve the overall success rate of the ICT4D projects. These findings have crucial implications for designing training policy as they emphasise the need for trainers to give much weight to mentoring and coaching of young people to help them navigate through the challenges of the labour market.

At the same time, developing countries such as Kenya have a lot to learn from countries such as Germany that have made significant progress in addressing skill gaps among young people. For instance, important lessons can be learned and recontextualised from Germany's dual vocational training system, especially related to theoretical and practical skills training. From this background, there is need for a comprehensive ICT training policy that is aligned to the digital economy of the 21st century. Finally, as the study shows, despite the progress made so far, infrastructure, in terms of, power supply and ICT connectivity, remains a major challenge for Kenyan hybrid organisations as they seek to scale their social impact beyond the capital city. Infrastructure development and costs need to be given priority among ICT4D projects. Thus, policy needs to define strategies to facilitate reliable, affordable and fast internet connectivity to support hybrid organisations operating within the ICT sector.

7.5 Avenues for Future Research

This section outlines avenues for further study based on methodological and conceptual approaches and complementation of the empirical findings. As far as methodological approaches are concerned, a mixed-methods approach combining quantitative and qualitative methods could help broaden the investigation, for example into the impact of social innovations on the beneficiaries and, in particular, on their lived experiences. In addition, the long-term impacts of impact sourcing, which could not be captured in this study, might be best examined through longitudinal studies.

At the same time, following the findings of this study, comparative studies of hybrid organisations in global value chains in different economic sectors and geographical contexts of the Global South could be another starting point for future research. This research will be essential to gain detailed insights into factors that both facilitate and hinder, as well as differences and patterns of institutional dynamics in the evolution of hybrid organisational fields in general.

Moreover, to return to the development perspective, a valuable area of future research would be investigating the complex and hidden institutional dynamics, and their geographical and relational shaping in the unfolding of organisational fields of hybrid organisations in established GVCs. Additionally, the development discourse extending to the ICT4D agenda in the Global South (Heeks, 2009; Avgerou, 2010; Graham, 2019), has questions such as those related to the impact of digitalisation on employment, including digital platforms' freelance, "*gig economy*" and "*micro-work*", that are still open.

On a different note, further empirical studies are also required to capture institutional theory and the role of social enterprises in the development geographies of the Global South. More broadly, this study has provided valuable insights into the strategies used by hybrid organisations in the Global South to manage tensions related to hybridity. However, there is a need for further studies in other regions of the Global South to explore the links between dynamic organisational capabilities and the management of tensions to gain a comprehensive understanding of the phenomenon.

Furthermore, the study provides empirical evidence of the essential role played by a wide range of local and global actors in the emergence and unfolding of impact sourcing. Nevertheless, there are a number of key actors whose role was not captured in this study. Therefore, it would be enriching if future studies also considered the role of actors such as incubators, accelerators, and universities in fostering hybrid organisational fields and social innovation in the Global South.

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Appendix 1. Data Collection

| | <i>Material</i> | <i>Number of sources</i> | | <i>Collected data</i> |
|--------------------------------------|---|--|-------------------------|--|
| <i>A. Document analysis</i> | Policy & industry documents, research reports, websites | 50 documents analysed (Approx. 2500 pages) | | Industry context, case studies, mapping of impact sourcing, models, market size; supply, demand; suppliers, targeted disadvantaged youth, clients, constraints; demand, supply, branding & positioning; interventions; priority areas, management systems, recruitment & hiring, training & career development, remuneration & benefits. |
| <i>B. Interviews</i> | <i>Organisation</i> | <i>Role</i> | <i>Length (Minutes)</i> | <i>Collected data</i> |
| a) Impact Sourcing Service Providers | 1. Adept Technologies | Human Resources manager | 60 | Impact sourcing models & practices; targeted disadvantaged youth; screening, hiring, recruitment & employment, training and career development, benefits & remuneration, impact measurement, relationship with buyers; services, strategic partnerships and collaborations, challenges; constraints & tensions, marketing & funding. |
| | | Digital Media Manager | 25 | |
| | 2. Cloud Factory | Managing Director | 53 | |
| | | Operations Manager | 44 | |

| | | |
|------------------------|-------------------------|----|
| | Human Resources manager | 20 |
| 3. Craft Silicon | CEO | 25 |
| | CSR Manager | 70 |
| | Administration Manager | 30 |
| 4. Digital Divide Data | Human Resources Manager | 30 |
| | Social Impact Manager | 70 |
| 5. Daproim Africa | CEO | 60 |
| | Human Resources Manager | 15 |
| 6. Samasource | Impact Manager | 40 |
| | Human Resources Manager | 15 |
| 7. Techno Brain | Managing Director | 60 |

| | | | | |
|----------------------------------|----------------------------|--|----|---|
| | | Business Development Manager | 20 | |
| | 8. Nairobi | Program Manager | 60 | |
| | | CBO Liaison Manager | 30 | |
| | | Training Manager | 30 | |
| b) <i>Financial Intermediary</i> | The Rockefeller Foundation | Managing Director | 90 | Institutional work in pre- & semi-institutionalisation of impact sourcing; collaborations & strategic partnerships, funding, lobbying, advocacy, knowledge generation & sharing, fostering & hindering factors. |
| c) Universities | 1. University of Nairobi | Professor of Entrepreneurship & Former Permanent Secretary, Ministry of ICT, Kenya | 60 | Role of the government - in the pre- & semi-institutionalisation of impact sourcing, Information Communication Technology infrastructure, marketing, subsidies, policy, incentives and strategic plans. |

| | | | | |
|-----------------------------|----------------------------------|------------------------------|---------------|---|
| | 2. Rongo University | Professor of Economic Policy | | |
| | | | 30 | |
| d) <i>Normative Network</i> | Global Impact Sourcing Coalition | Program Manager | 60 | Institutional work; Institutionalisation of Impact Sourcing; lobbying & advocacy, standard, collaboration; buyers & suppliers |
| e) <i>Impact Workers</i> | <i>Identifier</i> | <i>Age (Years)</i> | <i>Gender</i> | |
| | 1. SamF | 26 | Female | Target group, discovery & attracting of the target group; contact channels for recruitment, screening of the candidates, hiring and onboarding, capabilities attained, benefits and remuneration, target group, recruitment practices, employment and training. |
| | 2. SamM | 24 | Male | |
| | 3. DDDF1 | 24 | Female | |
| | 4. DDDM | 24 | Male | |
| | 5. DDDF2 | 25 | Female | |
| | 6. NaiF | 19 | Female | |

| | | |
|-----------|----|--------|
| 7. NaiM | 21 | Male |
| 8. DapM | 26 | Male |
| 9. DapF | 35 | Female |
| 10. AdeM1 | 25 | Male |
| 11. AdeM1 | 24 | Male |
| 12. AdeM3 | 26 | Male |
| 13. DDDF7 | 19 | Female |
| 14. DDDF6 | 20 | Female |
| 15. DDDM5 | 23 | Male |
| 16. DDDF4 | 22 | Female |
| 17. AdeM2 | 24 | Male |
| 18. DDDM3 | 23 | Male |
| 19. AdeF | 24 | Female |

Appendix 2. Coding Scheme

| Categories | Codes | Verbatim | Interpretation |
|--|-------------------|--|---|
| <i>Impact Sourcing Service Providers</i> | <i>Model</i> | “..... From 2011 we started developing instructions on how to recruit and really being conscious about the type of people we employ and how we go about recruitment. Cause for us with impact sourcing, we make sure that we don't discriminate from the onset of how we do it.” (Interviews 2019, ISSP 2 HR) | Impact hiring practices. |
| | <i>Networking</i> | “So, we are trying to expand our networks, so right now, we have joined GISC, its Global Impact Sourcing Coalition, so...that we are able to expand our network and to get people to know what we do”. (Interviews 2019, ISSP 4 HRM) | ISSPs are able to build and establish network relationships with global customers through GISC's intermediary role. |

| | | |
|----------------------------|---|---|
| <i>Target group</i> | <p>“We target young people who have just finished high school. They are about to get to university education but based on their back-grounds they are not able to afford. So, our business is made in such a way that it targets that kind of population.” (Interviews 2019, ISSP 1 OD)</p> | <p><i>High potential yet disadvantaged youth</i> (high-school graduates).</p> |
| <i>Recruitment</i> | <p>“We have recruitment partners and these recruitment partners are coming from these underserved places in Nairobi which we have already marked. Places like Kibera, we have Shofco, Shining, Hope for Communities...” (Interviews 2019, ISSP 1 OD)</p> | <p>Community based organisations play an important role in providing access to disadvantaged youth.</p> |
| <i>Recruitment Process</i> | <p>“...We do a background check and we actually do home visits. We just validate the information given by the donor [...] So, you just tell me, I live in Mathare, area 4. Ok, so we just pop in and say, hi Sam, I am at the stage, could you come collect me. You must really be smart to change a residential place within ten minutes and get me convinced that you just didn't change it. That's what we do to just validate and just ensure, everything is correct.” (Interviews 2019, ISSP 1 OD)</p> | <p>Screening of job candidates by home-visits.</p> |
| <i>Tensions</i> | <p>“..... And the investors and the employees. We're walking a very, very tight rope, for sure, there's no question about that. But the business would fail if we weren't a good business because there's that for-profit structure.... There's just tension. There's no way around that”. (Interviews 2019, ISSP 7 MD)</p> | <p>Tensions related to diverse interpretations of hybrid identity.</p> |

Context-specific challenges

....” In Kenya for instance you have this program that is called the vision 2030. It's the government vision. In vision 2030 and the industrialization you can see BPO as one of the pillars for that. But we haven't seen government really putting deliberate policies, whether it is a campaign, whether it is investing more into the education...or talent growing or providing any tax incentives or others to actually really push the sector. Second government is not necessarily working with the industry association to look at how to increase the business in the country.” (Interviews 2019, RF)

The institutional environment is not supportive to hybrid organisations.

..... “There is BPO associations in the market. But when we are looking for domestic customers in the domestic market, it is very limited scope of the market, so probably my competitor will know what is my price point, what is my customer, what is the process that I am handling. Everybody tries to get their piece of bite whether it is domestically or international. The competition is taking fast - likewise with us.” (Interviews 2019, BPO Expert 1)

Underdeveloped domestic markets and competition among ISSPs.

“Locally, it has been a bit tricky to get the projects done. And then, another reason, we have a bigger presence outside is, you get people who... if I have a traditional BPO going to compete against (*Name of ISSP*), the costs are different because our overheads are way high. So, if I am doing a cost including what we pay for school, we serve lunch here. That's not really subsidized. And straight, we have tea and breakfast at the office. So, if our sales person is going to quote anything and they are competing with another sales guy who has no over costs,

Some domestic buyers are price-sensitive.

has no commitment at all, then his quotes are slightly cheaper.”
(Interviews 2019, ISSP 1 OD)

.. “The other one should be market intelligence when you starting you don't know exactly where to go for information you don't know where to start sourcing for jobs from, we don't have mentors in the industry, we don't have bodies. Access to information has also been a challenge”. (Interviews 2019, ISSP 2 HR)

Lack of access to market intelligence.

“So, when an organization comes to the community of course they have perception. And you know sometimes we set up a centre within the community and they are thinking: These people are going to set up a centre within the community. They must be very rich. So, they come rob up our centre and take our computers. All those things that happen.” (Interviews 2019, ISSP 3 DM)

Theft of equipment.

Disadvantaged youth

| | | | |
|---------------------------|--|--|-----|
| <i>Challenges</i> | “Basically, the main challenge then was internet connection...” (Interviews 2019, DapM) | Underdeveloped infrastructure. | ICT |
| <i>Working conditions</i> | “You are allowed to choose which shift you will pick, depending on your schedule in school. (Ok) because there are those who study during the day and can work at night. So, it is flexible enough.” (Interviews 2019, DapF) | Work-study program. | |
| <i>Social outcomes</i> | “Then, where I come from, it is called Kayole, that place is just known for criminal activities. Was it not for (<i>Name of ISSP</i>) taking me in, dropping out of school, going home, it would have been bad, because I would end up in bad activities, criminal gangs, and you don’t know, maybe I would have been dead right now. But right now, I am here. I am happy.” (Interviews 2019, AdeM3) | Capability for the youth to live crime-free & unharmed life. | |
| | “So, with my salary at least I can help in my family. I can do some shopping and in instances where maybe someone gets sick, all the things like that, I can say that the salary we get here helps a lot. We also have the insurance so that when I am sick, unlike before I joined (<i>Name of ISSP</i>), my parents had to search in their pockets or even go somewhere else to look for that money. But (<i>Name of ISSP</i>) has given | Access to healthcare. | |

me a chance. We have the insurance cover that if you are sick, you can go to hospital.” (Interviews 2019, DDDF4)

“Then I have learned some communication skills, I learned some relationship, social skills. Because I know how to work with people. So how to relate with other people. Here and outside.” (Interviews 2019, DapM)

Development of soft skills.

““For personal development, I can say, I learned to be confident. Before I joined (*Name of ISSP*) I could not...like...now you are interviewing me I could (laughing). If you asked me a question I would say ‘yes’ [speaks very shyly and quietly].” (Interviews 2019, DDF1)

Self-confidence.

““We have one of our graduates processing into a program in Poland next month, one is in Sweden another is in India just going to finish so that's for me that is excitement. The people used to be in the deep parts of the slums and wherever they are it's really exciting.” (Interviews 2019, ISSP 1 OD)

Career development.

“I did not have the basic computer skills. So, I am actually glad that I came to this company because I have learned, I have taught myself on how to use the computer and to do other things, other complex stuff.” (Interviews 2019, DapM)

Development of ICT skills.

“There are a percentage of them who move out of those communities you know once things are good and they got jobs they are able to move their families to a better neighbourhood. So, they move out of their current place.” (Interviews 2019, ISSP 3 DM)

Access to decent shelter.

“We also help them like when they go through the school programme (*university*) and when they graduate. That professional certification is so important in terms of helping them to get to the next level.” (Interviews 2019, ISSP 1 RH)

Access to higher education.

“If there is maybe in school, you have a subject or a unit that you are not performing well, then we have the social impact team. They will call you and ask you why you are not performing in this, how can they help you? what can they (...) and help you improve.” (Interviews 2019, DDDW1)

Mentorship.

*Field
emergence &
unfolding*

*Financing
projects*

“When I joined..... the Rockefeller Foundation, within one week, I was in Cape Town, South Africa, launching this initiative (*Digital Jobs Africa*), which was 98-million-dollars-initiative of most seven years with the goal of connecting 250, 000 youth to ICT and digitally enabled jobs. So, our initiative was going to be implemented in six African markets or countries. Morocco and Egypt in North Africa, Nigeria and Ghana in West Africa and then Kenya and South Africa. Kenya in East Africa and South Africa, in south of Africa. And our initiative had really that objective of impacting one million lives by putting 250.000 youth in jobs. And we were going to do, to using three approaches, three pillars. One was to work with employers, so that they can create employment opportunities for the young people. Number 2 – for corporates to be able to hire the young people, these young people needed to be employable. So, our second pillar was, how do you build the talent full, how do you train the young people to be employable? And third was working with governments and policy makers to create an enabling environment, both for employment opportunities creation, but also for scaling employability training.” (Interviews 2019, RF)

The foundation promoted external practical work by funding projects such as “*Digital Jobs Africa*”.

*Lobbying &
Advocacy*

“So, one of the things we’ve put there is, okay, how can you promote impact sourcing for companies that are coming to borrow at the African Development Bank.” (Interviews 2019, RF)

Institutional work- the mobilisation of support for impact sourcing through social suasion.

| | | |
|--------------------------|---|--|
| <i>Normative network</i> | <p>“... Main goal was really to bring companies that were convinced about the power of impact sourcing, to not only adopt it... and practice it, but also promote it. With the objective of also improving the concept of impact sourcing as well.” (Interviews 2019, RF)</p> | <p>Further institutionalisation process of the Impact Sourcing field by the Global Impact Sourcing Coalition.</p> |
| <i>Theorising</i> | <p>“Impact investing is also a field that has been created...by the Rockefeller Foundation and structured. Impact investing is about... people or investors, who when they make investment decisions, deliberately do so while thinking about the social impact they can create. Is not just about financial return. We all in, when you talk about investment you would be looking at some kind of return, right? So, this is about financial return, but primarily driven by social impact that you can, we can create. ... So, we thought, that we could do something around impact hiring. And that's what we called impact sourcing. Let me also start by saying one thing that is very important. I will not say that the Rockefeller Foundation created impact sourcing or the notion of it. Because many organizations have done for many years, that have had that kind of approach. But perhaps they never called it impact sourcing and theorized it. So, we were the first one and the Digital Jobs Africa to theorize this approach by calling it impact sourcing and building a business case for it.” (Interviews 2019, RF)</p> | <p>The Rockefeller Foundation, as an essential institutional entrepreneur, performed institutional work to create, change norms and beliefs, theorise, and legitimise impact sourcing.</p> |
| <i>Defining</i> | <p>“The second thing that they are doing is actually creating impact sourcing standards. That is also a way of promoting it, the standards meaning. You all probably are familiar with Fair Trade, right? So Fair Trade gives business advantage, right? to companies that promote it.</p> | <p>Institutional Work - The Rockefeller Foundation was involved with global intermediaries in</p> |

Maybe some people would rather pick a Fair-Trade product, than another product. So, we want also to really standardize, to create a standard around impact sourcing and have a certification approach, whereby companies can say, we certified to be impact sourcing. So that this is something that they can actually use to gain business advantage". (Interviews 2019, RF)

constructing rule systems; defining membership boundaries, creating status hierarchies and conferring identity and status within the field of impact sourcing.

*Legitimacy
work*

"And a couple of other things that we have done was to partner also with, what is called... the International Association of Outsourcing Professionals, to create what is called an Impact Sourcing Award. Because IAOP have over 200 members of BPOs globally. And every year they have what is called the outsourcing, the World Outsourcing Summit. Two weeks ago, I was in Orlando, Florida, attending the 2019 World Outsourcing Summit. And... what we did with them, they had, in this summit, they have a number of awards that they provide to their members for performance. And one of them was Corporate Social Responsibility Award. We convinced them to replace their Corporate Social Responsibility Award with an Impact Sourcing Award..... So, we believe, that to have really social impact at scale, it is important to leverage your business model, right? And to build it into the business model...So, this is why we wanted to change the thinking of BPOs by saying not CSR, but impact sourcing. How do you source your talent with a real impact? So, last year was the first edition and the winners of the Impact Sourcing Award was Microsoft and... Avasant" (Interview 2019, RF).

The Rockefeller Foundation built a strategic partnership with International Association of Outsourcing Professionals and established an annual "Impact-Sourcing Award" presented to firms making significant progress in impact sourcing.

Appendix 3. Organisational Structure of Impact Sourcing Service Providers

| Name | Established | Org. type | Location(s) | Number of Beneficiaries | Services offered | | Nature of customer services | Type of customers | Beneficiaries' characteristics | Certification |
|--------|-------------|---------------|--|------------------------------|--|---|---|---------------------------------|---|---------------|
| | | | | | Customers | Beneficiaries | | | | |
| ISSP 1 | 2001 | International | USA (Headquarters (HQ), Kenya, Cambodia, Laos | 600 in Kenya | Content & data, cloud computing, financial, Artificial Intelligence (AI) & field research. | Work-study program (fixed-term contracts, training (ICT & social skills), university education scholarships, mentoring, peer-support, coaching) | Customised & ICT enabled services (Mix of high & low-skilled) | Mix of International & Domestic | Youth with disabilities, high-school graduates, youth from rural and informal settlements | ISO |
| ISSP 2 | 1999 | Domestic | Kenya, Ghana, Nigeria, Pakistan, Tanzania & Uganda | 7,000 trained | Communication, software development and testing, consultancy | Training (ICT & social skills), fixed-term contracts, mentoring | Customised & ICT enabled services (Mix of high & low-skilled) | Domestic | Youth from informal settlements | - |
| ISSP 3 | 1998 | Domestic | Kenya (HQ), India, Tanzania, Uganda & USA | 100 in Kenya | Software development. | Training (ICT & social skills), fixed-term contracts, mentoring | Customised (High-skilled ICT services) | Mix of International & Domestic | Youth from informal settlements | - |
| ISSP 4 | 2007 | Domestic | Kenya | 64 | Data management, customer support, marketing & AI. | Training (ICT skills), project-based contracts, mentoring | ICT enabled services (low-skilled) | Mix of International & Domestic | No clearly defined target group. Emphasis is given on ICT proficiency, work experience, youth from informal settlements | - |
| ISSP 5 | 2006 | Domestic | Kenya | 120 fulltime & 400 part time | Data management, transcription, research & analysis, ICT & | Training (ICT skills), project-based contracts, mentoring | ICT enabled services (low-skilled) | Mix of International & Domestic | University students | B Corporation |

| | | | | | | | | | | |
|--------|------|---------------|--|--|---------------------------------|---|------------------------------------|---------------------------------|--|-----|
| | | | | | customer support. | | | | | |
| ISSP 6 | 2008 | International | USA (HQ) , Kenya, Haiti, Ghana, Uganda, India & The Netherlands | 2,000 in Kenya | Training data, validation & AI. | Training (ICT skills), <i>project-based contracts</i> | ICT enabled services (low-skilled) | International | <i>No clearly defined target group.</i> Emphasis is given on ICT proficiency, work experience, informal settlement youth | - |
| ISSP 7 | 1997 | International | Dubai (HQ) , Kenya, Uganda & Tanzania | 400 in Kenya | AI, software & block chain. | Training (ICT skills), <i>project-based contracts</i> | ICT enabled services (low-skilled) | Mix of International & Domestic | <i>No clearly defined target group.</i> Emphasis is given on ICT proficiency, work experience | ISO |
| ISSP 8 | 2008 | International | The United Kingdom (HQ) , Kenya, Nepal & USA. | 110 full-time in Kenya + 1000 cloud workers | AI & data processing. | Training (ICT skills), <i>project-based contracts</i> | ICT enabled services (low-skilled) | International | <i>No clearly defined target group.</i> Emphasis is given on ICT proficiency, work experience, computer ownership | - |

Source: based on own data

Appendix 4. The Practices of Impact Sourcing Service Providers

| Organisation | Target | Screening | Training | Employment | Benefits | Acquired Employees' Skills |
|---------------|--|--------------------|--|--|---|--|
| ISSP 1 | <ul style="list-style-type: none"> -Socio-economic hardship -High school graduates-qualified for university. -Persons with disabilities -Informal settlements Age: 18-24 | Home visits & CBOs | 6 month-technical & soft skills. 4-5 years university | <ul style="list-style-type: none"> -Permanent -Experience not required -Employs all trainees | <ul style="list-style-type: none"> -Work-study-scholarships, loans & study-leave -Mentorship -Health Insurance -Free meals -Wages -Alumni | <ul style="list-style-type: none"> -University degree. - Digital content & training data, AI & Machine Learning algorithms - Cloud computing & field research. |
| ISSP 2 | <ul style="list-style-type: none"> -High school graduates - Informal settlements - Persons with disabilities Age: 18-24 | CBOs | 9-month-technical, soft skills & reproductive health. -Girls' specific training | <ul style="list-style-type: none"> -Experience not required -Employs approx. 10% of trainees. | <ul style="list-style-type: none"> -Mentorship -Wages -Alumni | <ul style="list-style-type: none"> -Digital design & development. -Communication & Entrepreneurship. |
| ISSP 3 | <ul style="list-style-type: none"> - High school graduates -Informal settlements -<i>Social mission is delegated to its Foundation</i> | Home visits & CBOs | 3-month-technical & soft skills (computer bus). -Successful trainees are enrolled for further 6 months. | <ul style="list-style-type: none"> -Experience not required -Employs approx. 10% of trainees. | <ul style="list-style-type: none"> -Wages -Mentorship | <ul style="list-style-type: none"> -Basic IT -Software development -Entrepreneurship & communication. |
| ISSP 4 | <ul style="list-style-type: none"> -High school, college & university students & graduates. -Informal settlements | CBOs | 1- month - technical & soft skills. | <ul style="list-style-type: none"> -ICT skills & experience required. -Employs approx. 10% of trainees. | <ul style="list-style-type: none"> -Mentorship -Wages | <ul style="list-style-type: none"> Call centre, transcription, data entry & editing. |

| | | | | | | |
|---------------|---|--------------|---------------------------------|--|-----------------------|--|
| | Age: 20-25 | | -Trainees per month: 8-10 youth | | | |
| ISSP 5 | -2 nd year university students. | Universities | 10 day- task-specific | - Hiring only during high season. -IT skills & Curriculum vitae required. | -Wages -Mentorship | Call centre, data entry, image tagging, annotation & transcription. |
| ISSP 6 | - No clearly defined target group - Informal settlements Age: 18-28 | None | 10 day- task-specific | - Qualifications & experience required. -Employs approx. 5% of trainees. | -Wages | Image tagging & annotation, data entry & basic machine learning. |
| ISSP 7 | - No clearly defined target group -Informal settlements - <i>Social mission is delegated to its Foundation</i> | None | 10 day- task-specific | - Qualifications & experience required. | -Wages | Data entry, content verification, moderation, document digitisation & call centre. |
| ISSP 8 | - No clearly defined target group (cloud workers) -University & college graduates | None | 5-day task-specific | - Qualifications & experience required. - Temporary independent contractors -Bank account, Computer, smart phone & internet connectivity required. | -Wages | Labelling & tagging images, transcribing & data entry. |

Source: based on own data

Appendix 5. Perceived Capabilities Achieved by Disadvantaged Youth

| Codes | Verbatim | Interpretation |
|------------------------------|--|--|
| Opportunity to earn a living | <p><i>“Then, where I come from, it is called Kayole, that place is just known for criminal activities. Was it not for (Name of ISSP) taking me in, dropping out of school, going home, it would have been bad, because I would end up in bad activities, criminal gangs, and you don’t know, maybe I would have been dead right now. But right now, I am here. I am happy.”</i> (Interviews 2019, AdeM3)</p> <p><i>“When it comes to finances. You know, when we all come together as a family, we bring the food we have and each one brings something. At least, it makes things go easier.... So, with my salary at least I can help in my family. I can do some shopping and in instances where maybe someone gets sick, all the things like that, I can say that the salary we get here helps a lot.”</i> (Interviews 2019, DDF4)</p> <p><i>“I can go to school [university] and at the same time I can work. And what motivates me, is maybe the salary that I get. At least, I can depend on myself unlike so many people [fellow students]. You know, there are many regular students at Kenyatta University who entirely depend on their parents and maybe, most of them, don’t have enough. Thus, for me, I can say that I depend on myself and it is through [name of the ISSP] that I am making it.”</i> (Interviews 2019, DDF7)</p> | <p>Capability to live crime-free & unharmed life. This underscores the crucial role employment plays for young people living in high-crime areas where survival is a matter of life and death.</p> <p>Financial independence</p> |
| Access to decent shelter | <p><i>“There are a percentage of them who move out of those communities [slums] you know once things are good and they got jobs they are able to move their families to a better neighbourhood. So, they move out of their current place.”</i> (Interviews 2019, ISSP 3 DM)</p> | Ability to afford decent housing |
| Healthcare | <p><i>“We also have the insurance so that when I am sick, unlike before I joined (Name of ISSP), my parents had to search in their pockets or even go somewhere else to look for that money. But (Name of ISSP) has given me a chance. We have the insurance cover that if you are sick, you can go to hospital.”</i> (Interviews 2019, DDF4)</p> | Access to health insurance |
| Peer-learning | <p><i>“In the company we have some clubs, like YPCs, standing for ‘young professional clubs’. You join those clubs, like you introduce a topic and most guys join and it’s like a debate.... So, with that one you see there are communication skills, your confidence, self-esteem and everything that. And also, soft skills, like respect and courtesy.”</i> (Interviews 2019, DDF4)</p> | Social networks |
| University education | <p><i>“There are many things that [name of ISSP] has done. To start with, when I came to [name of ISSP], you will find that I did not know so much and here we mainly deal with the technology because we deal with the computer so much. So, I had to come and work. At the same time, I was promised that if you can work for at least a year and when you are doing well in your work, you can go to school [university].”</i></p> | Access to education |

| | | |
|------------------------|---|---|
| Social skills | <p><i>Then I managed to go to Kenyatta University. I am actually pursuing my career in Bachelor of education in my fourth year, taking Kiswahili and history. (Interviews 2019, DDF6)</i></p> <p><i>“Then I have learned some communication skills, I learned some leadership and social skills. Because I know how to work with people. So how to relate with other people. Here and outside.” (Interviews 2019, DapM)</i></p> <p><i>“I have learned about work ethics: how to relate with people in working. (...) you have to integrate well with people when you work.” (Interviews 2019, DDDM1)</i></p> | Ability to acquire interpersonal competencies |
| ICT skills | <p><i>“There are many skills that we have been taught at [name of the ISSP]. We have the impact team. We learn so many things like interacting with others, how we can write our CVs. If anything comes up, they tell us so that we are aware. (Interviews 2019, DDF1)</i></p> <p><i>“I did not have the basic computer skills. So, I am actually glad that I came to this company because I have learned, I have taught myself on how to use the computer and to do other things, other complex stuff.” (Interviews 2019, DapM)</i></p> | Ability to attain technical know-how |
| Personal development | <p><i>“For personal development, I can say, I learned to be confident. Before I joined (Name of ISSP) I could not ... [talk] Like ... now you are interviewing me I could be [looking down] avoiding eye-contact. If you asked me a question I would say ‘yes’ [speaks very shyly and quietly].” (Interviews 2019, DDF1)</i></p> <p><i>“I believe that in the next two years, I will be someone who can talk to a client and convince them to do a project with us.” (Interviews 2019, DDF1)</i></p> | Self-confidence |
| Giving back to society | <p><i>“We have one of our graduates processing into a program in Poland next month, one is in Sweden another is in India just going to finish so that’s for me that is excitement. The people [beneficiaries] used to be in the deep parts of the slums and wherever they are it’s really exciting.” (Interviews 2019, ISSP 1 OD)</i></p> <p><i>“Within this initiative that we started where we go and talk to rehabilitation kids [children in rehabilitation centres] and specifically the ... street kids [homeless children] that have been taken there. So, we go there and talk to them about their life skills, on the HIV and Aids-awareness. So, I believe we matter to them.” (Interviews 2019, DDF7).</i></p> | Career development |
| Women empowerment | <p><i>“You know, for a lady, ..., when you get your own thing to do [a job] it is really an achievement. And here, [name of the ISSP], it makes sure you feel, you have something, you have a voice. Like I have a job, like I can say “I have job” and it’s nice. And I have people to talk to. So, I would say like, in Kenya, women come to work at [name of the ISSP], it’s a plus.” (Interviews 2019, AdeF)</i></p> <p><i>“..... if not for [name of the ISSP] actually I cannot tell where I would be at this moment. For the special moments they have given us it’s an achievement to them and to us also because we are able to go to school [university] while others, lots of ours [fellow youth] stay at home [as they cannot afford the cost of education]. At least, when they see you, they admire you. They see how far you are going and how far you have come” (Interviews 2019, DDF1)</i></p> | <p>The capability of women gaining a “voice” in their family, community and society</p> <p>Being role models in the society</p> |

Source: based on own data

Appendix 6. Data Structure on the Practices Used by Hybrid Organisations to develop the Skills of Disadvantaged Youth

| <i>Codes</i> | <i>Verbatim</i> | <i>Interpretation</i> | <i>Hybrid Categorisation</i> |
|-----------------------------|--|--|------------------------------|
| Target group | <p><i>“We target young people who have just finished high school. They are about to get to university education but based on their [poor] back-ground they are not able to afford higher education. So, our business is made in such a way that it targets that kind of population.”</i> (Interviews 2019, ISSP 1 CSR)</p> <p><i>“Our goal is to lift people out of poverty through work in the ICT sector”</i> (Interviews 2019, ISSP 1 CSR)</p> | <p>-The organisation's focus is on hiring disadvantaged youth from poor backgrounds.</p> | <i>Individualised</i> |
| | <p><i>“We don't particularly focus on any part of the community, we focus on people who are looking for work. So, whatever, wherever you are in life, so long as you're 18 years old and you're looking to get into jobs. Or you need money and you need a part-time basis or whatever, you can apply. So yeah, we do not discriminate at all. If you are 18, if you have a phone number and if you have a bank account, you can apply....”</i> (Interviews 2019, ISSP 7 HR)</p> <p><i>“If you've got the skills, all you need is a computer, web browser and reliable internet access to work for [name of the ISSP]”</i> (Interviews 2019, ISSP 2 OD)</p> | <p>-The organisation's social mission is geared towards helping its beneficiaries break out of the poverty cycle.</p> <p>-Not necessarily targeting disadvantaged people.</p> <p>-The beneficiaries are not necessarily the poor, rather people with the ability to afford a computer and possess ICT skills</p> | <i>Standardised</i> |
| | <p><i>“So essentially what we do is by providing work to people, labelling images, transcribing receipts, or core data processing, or anything related to image-tagging....”</i> (Interviews 2019, ISSP 7 HR)</p> <p><i>“We are looking at how we could innovate this space with superior skills. And that's why when I talk about cloud computing services, these are kind of unique skills in this part of the market which have not been exploited before. We are looking at it as an opportunity</i></p> | <p>-The focus is on providing jobs for those in need regardless of their socioeconomic background</p> | |
| Work characteristics | | <p>-Low-skilled ICT work performed by beneficiaries</p> | <i>Standardised</i> |
| | | <p>-The organisation aims to provide higher-value service processes to promote learning and the development</p> | <i>Individualised</i> |

Recruitment process

because when we train people towards this area then we will have some kind of superior skills that we can be able to sell in the market....” (Interview 2019, ISSP 1 CSR).

“We have recruitment partners and these partners are coming from these underserved places in Nairobi which we have already marked. Places like Kibera [a slum in Nairobi], we have Shofco, [Shining Hope for Communities]. We have linkups [strategic networks] with them that helps us to get these people [beneficiaries]....” (Interviews 2019, ISSP 1 OD)

“What we usually do in our target areas, we try to partner with local organisations, for example, youth and women organisations. So, we approach them, so that we can then give them a criterion. This is the age group we are targeting, this is the socioeconomic status that we are focusing on because we are focusing on those who are a bit lower on the socio-economic background and those organisations are able to identify and register the job candidates who we will have on board.” – (Interviews 2019, ISSP 4 HRM)

“Then, yeah, the application was online. I applied. I was called for an interview and yeah, that is how I got here.” (Interviews 2019, CF1)

“...We do a background check and we actually do home visits. We just validate the information given by a job candidate [...] So, you just tell me, I live in Mathare, area 4 [one of the slums in Nairobi]. Ok, so we just pop in [appear unannounced] and say, hi Sam, I am at the stage [bus station], could you come collect me. You must really be smart to change a residential place within ten minutes and get me convinced that you just did not change it. That’s what we do to just validate and just ensure, everything is correct.” (Interviews 2019, ISSP 1 OD)

“Our need is going to the community and connecting with them [beneficiaries] from the grassroot. Of course, there are a lot of organisations in Kenya that are targeting young people, but their approach is not from the grassroot. But for [name of the ISSP] we

of advanced skills among its beneficiaries.

- CBOs play an important role in providing access to disadvantaged youth.

-The organisation is deeply embedded in its local context and works closely with CBOs to gain access as well as verify the suitability of its beneficiaries.

-The organisation has developed ICT-supported recruitment processes that it uses to gain access to its beneficiaries.

-The organisation has processes to verify the eligibility of job applicants [beneficiaries] through home visits.

-Embeddedness of the organisation in the local context.

Individualised

Individualised

Standardised

Individualised

Individualised

| | | | |
|---------------------------|--|---|-----------------------|
| Working conditions | <p><i>work from the grassroots moving upwards. So, we work with community-based organisations that are working within the informal settlements” (Interviews 2019, ISSP 1 CSR).</i></p> <p><i>“You are allowed to choose which shift you will pick, depending on your schedule in school [university]. (Ok) because there are those who study during the day and can work at night. So, it is flexible enough.” (Interviews 2019, DapF)</i></p> <p><i>“At [name of the ISSP] we have that platform where they really understand. One, we have academic leaves. Two, we also have access to some of the funds we need for our education. As much as we come from backgrounds where we do not have that money. So, when we come here, remember they pay our salaries and they take us to school [university] as well. They also give us the time when we need time to go to do assignments and we need to go write examinations....” (Interviews 2019, DDM2)</i></p> | <p>-The organisation has implemented flexible structures and processes that allow its beneficiaries to work and study at the same time.</p> | <i>Individualised</i> |
| Training | <p><i>“A third aspect, that we integrate in our training is sexual reproductive health rights. This is also to meet the unique needs of the young people. Because unless we are producing healthy young people, it is very hard for them to be productive. And looking at the informal settlements there are very high cases of HIV & AIDS. There are very high cases of sexual and gender-based violence, that sort of hinders them from being productive.” (Interviews 2019, ISSP 1 CSR)</i></p> <p><i>“If there is maybe in school [university], you have a subject or a unit that you are not performing well, then we have the social impact team. They will call you and ask you why you are not performing in this, how can they help you? what can they (...) and help you improve.” (Interviews 2019, DDDF1)</i></p> <p><i>“... The best is to invest in them and ... also doing mentoring all the others. So, you bring a new one [beneficiary] and... You get a new one come on board and you kind of attach them to an older one who had a kind of similar experience and then somehow grown away, overcame it and now listening to your story and saying oh you just actually living at my next door and you’ve done this so it should be</i></p> | <p>-The training includes social competencies that enable beneficiaries to lead healthy lifestyles.</p> | <i>Individualised</i> |
| | | <p>-The organisation has developed coaching and mentoring processes to enable its beneficiaries to achieve academic excellence.</p> | <i>Individualised</i> |
| | | <p>-The organisation promotes peer-learning and support as well as collective agency practices to help its beneficiaries develop social competencies.</p> | <i>Individualised</i> |

doable for me and yes bit of peer kind of mentoring and encouraging" (Interviews 2019, ISSP 1 CSR)

"We also help them like when they go through the school programme [university] and when they graduate. That professional certification is so important in terms of helping them to get to the next level." (Interviews 2019, ISSP 1 RH)

"So, first, to train these people, you have to understand them, ok? You have to fit into their shoes. You have to understand your target audience. That is the first thing I do, ok? Because I am in that soft-skill training, so that is the first thing I do, ok? When they come in, the first training I do is on CV writing, ok? Because you will find that some don't even know how or write a CV. So, I train them on CV writing, ok? Secondly, I train them on effective communication skills. How you are supposed to speak... So, after that, they go to self-development. How do you develop yourself, ok? Now you are telling them: It doesn't matter where you came from, what matters is where you are going. What matters is what you are doing as at now. So, we have such training on self-development" (Interviews 2019, ISSP 4 HRM).

-The organisation focuses on providing access to higher education as part of its long-term commitment to beneficiary development.

Individualised

-At the core of the organisation's coaching and mentoring program is the effort to understand the beneficiaries and then seeking to develop their social competencies.

Individualised

Source: based on own data

Curriculum Vitae

This page contains personal data which has been removed for privacy reasons.

Eidesstattliche Erklärung

(gemäß § 10, Abs. 1c der Promotionsordnung vom 15.07.2009)

Ich versichere wahrheitsgemäß, dass ich die vorliegende Dissertation selbst und ohne fremde Hilfe verfasst, keine anderen als die in ihr angegebenen Quellen oder Hilfsmittel benutzt sowie vollständig oder sinngemäß übernommene Zitate als solche gekennzeichnet habe. Die Dissertation wurde in der vorliegenden oder einer ähnlichen Form noch bei keiner anderen in- oder ausländischen Hochschule eingereicht und hat noch keinen sonstigen Prüfungszwecken gedient.

Marburg, den 15.06.2023

Stephen Omwenga Momanyi